

CITY OF RIO RANCHO, NEW MEXICO
COMPREHENSIVE ANNUAL FINANCIAL REPORT

**For the fiscal year ended
June 30, 2010**



CITY OF RIO RANCHO, NEW MEXICO

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

Issued by:
Department of Financial Services

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INTRODUCTORY SECTION

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Department of Financial Services

November 12, 2010

Honorable Mayor, Members of the City Council
And Citizens of the City of Rio Rancho

The Audit Act, NMSA 1978, Section 12-6-12, mandates that cities are required to undergo an annual single audit and produce a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America and audited in accordance with auditing standards generally accepted in the United States of America by a certified public accounting firm licensed in the State of New Mexico. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Rio Rancho for the fiscal year ended June 30, 2010.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with accounting principles generally accepted in the United States of America. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the City's organization chart and a list of City officials and administrative staff. The financial section includes the financial statements and the combining and individual fund financial statements and schedules, as well as the auditors' report on the financial statements and schedules. The statistical section includes selected financial and demographic information, generally presented on a multiyear basis. The City is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act and U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. The schedule of expenditures of Federal awards required by the Single Audit Act is included in the single audit section along with the auditors' report on the internal control and compliance with applicable laws and regulations.

Meyners & Company, LLC a certified public accounting firm, has audited the City's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2010, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the overall financial statement

presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the fiscal year ended June 30, 2010, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited City's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the Single Audit Section.

Accounting principles generally accepted in the United States of America require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE CITY

The City of Rio Rancho is the third largest city in New Mexico with an estimated population of 85,000. The City is located in central New Mexico, northwest and adjacent to Albuquerque, New Mexico's principal city. The metropolitan area is serviced by east-west Interstate I-40 and north-south Interstate I-25. The Santa Fe railroad has a major rail line through Albuquerque. The Rail Runner rail provides commuter service between the near by communities of Bernalillo, Albuquerque, Los Lunas, and Santa Fe. There are two general aviation facilities, including the Albuquerque International Airport that has eight major airlines and two regional airlines providing service to the metropolitan area.

The City was incorporated in 1981 and adopted a municipal charter as a home rule city in 1991. The City has a hybrid Council/Manager form of government in which the Mayor is a member of the Governing Body. The City Manager is the Chief Administrative Officer, appointed by the Mayor subject to approval of the Governing Body. The Basic Financial Statements of the City include all government activities, organizations and functions for which the City is financially accountable as defined by the Governmental Accounting Standards Board (GASB). Based on these criteria no other governmental organizations are included in this report.

The City provides to its citizens those services that have proven to be necessary and meaningful and has done so with less City employees per capita than nearby cities. Major services provided under the general government and enterprise functions are: police and fire protection, emergency ambulance service, water and wastewater services, park and recreational facilities, libraries, senior services, street improvements and general administrative services. In 2008, the City created a strategic plan to establish priorities for city government. This plan represents the consensus that emerged from the collaborative effort of the City leadership, City employees, and the community. This plan along with a status update can be found in the City's Fiscal Year 2011 Budget Document posted on the City's website.

FACTORS AFFECTING FINANCIAL CONDITION

The City's financial condition continues to reflect a regional economy that remains in recession. Although the New Mexico recession is predicted to continue through the end of 2010, forecasters expect the recovery to be modest through FY11, with below average growth rates in employment.

The City of Rio Rancho is the fastest growing city in the State of New Mexico. The City's population has increased almost 57 percent from 52,706 in 2000 to 82,574 in 2009. Rapid population growth coupled with the increased availability of credit during the housing boom led to a surge in the number of single-family housing permits issued in the City of Rio Rancho beginning in 2003 and ending in 2007. During this time annual permits issued rose steadily, peaking at an all-time high of 3,084 permits in 2007. As economic growth slowed in 2008 and the economy entered a recession in 2009, Rio Rancho housing market activity declined sharply. Since the peak in 2007, the number of housing permits issued declined almost 350 percent to 688 in 2009. Calendar year to date in 2010, the number of permits is 34 percent below 2009. This weakness in housing construction translated into significantly lower than expected gross receipts tax revenues in Fiscal Year 2010 and below average growth estimates in Fiscal Year 2011 gross receipts tax and property tax revenues.

Despite the current recession, the City has reason to be optimistic about Rio Rancho's long-term outlook. In 2006 and 2007 the City of Rio Rancho established a Central Business District anchored by a 6,500 seat Multi-Purpose Event Center and construction of a new City Hall. Since then, various businesses and institutions have opened in the Central Business District, including Hewlett Packard, which employs just under 1,000 employees currently and plans to employ 1,320 employees by the end of 2012; Central New Mexico Community College opened its doors in the Fall of 2010 with an enrollment of approximately 1,400 students; and the University of New Mexico also opened the first building of a planned 12,000 student campus with a current enrollment of 300 students.

Construction has started on:

- A new University of New Mexico 75-bed Sandoval County Regional Medical Center (Teaching Hospital) located near City Hall.
- Presbyterian Health Care 65-bed medical center and corresponding office complex at Unser and Westside Boulevards. The hospital is scheduled to open in October 2011.
- Adjacent to Presbyterian, developers have begun constructing public infrastructure for the Village at Rio Rancho, a 400,000 sq. ft. retail complex.
- Premiere Cinemas is building an all-digital 14-screen (2,750-seat), 46,595 square-foot movie theater facility near the southwest corner of Southern and Unser.

Long-Term Economic and Financial Planning. As noted above, the City has developed an in-depth strategic plan, with the assistance of a professional firm, the Governing Body and staff. Surveys were used and meetings were held with citizens to gather the community's views on the City's strengths and weaknesses and on the proposed strategic plan. A process has been implemented to accomplish the goals of the strategic plan, which is reported on annually. This plan is also used to inform the long-term budget planning, including a service prioritization

project, which will help to ensure that the City is using its resources in the most efficient and strategic manner.

The Development Services Department is in the final stages of updating the City's Comprehensive Plan. The purpose of the Comprehensive Plan is to guide community development. It serves as a broad-based policy document used by staff to make recommendations on land use applications as well as supports the City's decisions on land use applications.

To facilitate and encourage retail and commercial growth and economic base jobs, Rio Rancho implemented an Economic Development Policy and Retail Strategy Plan.

Located in an arid region, water availability is of utmost importance to the City. In 2010, the Governing Body approved a \$3 surcharge for each water customer in order to assist with the cost of the water rights acquisition. This surcharge will be used solely to assist the City in meeting the State requirements to acquire sufficient water rights to offset the impacts of groundwater pumping.

Accounting System and Budgetary Control. Written financial policies were instituted in fiscal year 2006 as a basic framework for the financial management of the City of Rio Rancho. These policies are intended to assist members of the City of Rio Rancho Governing Body and City staff in evaluating current activities and proposals for future programs. These policies are to be reviewed on an annual basis in conjunction with annual budget. During the Fiscal Year 2010 budget process, a new fraud policy, a cash handling policy, and a payroll policy were developed. The City's investment policy also underwent significant changes.

The City's accounting records for general government operations are maintained on a modified accrual basis, with the revenues being recorded when available and measurable and expenditures being recorded when the services or goods are received and the liabilities are incurred. Accounting records for the City's utilities and other proprietary activities are maintained on the accrual basis.

In developing and maintaining the City's accounting system, consideration is given to the adequacy of the internal control structure. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

The City charter provides that the Governing Body shall adopt the annual budget prepared by the City Manager. The budget is reviewed by the Governing Body and is formally adopted by the passage of a budget resolution. The City Manager has limited authority to transfer budgeted amounts between line items within divisions of any fund; however the Governing Body must approve any revisions that alter the total expenditures of any fund.

Budgetary control has been established at the individual fund level. Financial reports are produced showing budget and actual expenditures by line item, and are distributed monthly to City department management and to others upon request.

Individual line items are reviewed and analyzed for budgetary compliance. Personnel expenditures are monitored and controlled at a position level and capital expenditures are monitored and controlled item by item. Revenue budgets are reviewed monthly.

Cash Management. The City awards its depository contract via Request for Proposal pursuant to the City's Procurement Code. The current depository contract with Wells Fargo Bank, N.A. expired April 2010 and was renewed through May 30, 2011.

It is the City's policy that all demand deposits and time deposits are secured by pledged collateral with a market value equal to no less than 102% of the deposits less an amount insured by the FDIC. Evidence of the pledged collateral is maintained by the Financial Services Department and a third party financial institution. Collateral is reviewed at least monthly to assure the market value of the securities pledged equals or exceeds the related bank balances. All collateral is subject to inspection and audit by the Director of Financial Services.

The idle cash is invested by the Director of Financial Services in securities as permitted by New Mexico Statutes and by the City's Investment Ordinance. The City's Investment Ordinance sets forth the requirements for the investment of funds in a manner that maximizes safety of principal while ensuring that funds are available to meet the operating needs of the City and to meet unanticipated cash demands while earning the highest possible returns.

All investments transacted by the City are purchased using the delivery versus payment method. That is, funds are not wired or paid until verification has been made that the correct security has been received by the Custodian. The security is held in the name of the City or on behalf of the City. The Custodian's records must assure the notation of the City's ownership or explicit claim on the securities.

Risk Management. The City is charged with the responsibility of supervising the protection of the City's assets by employing various risk management techniques and procedures to reduce, absorb, minimize or transfer risk. The City carries insurance for general liability, law enforcement liability, civil rights, volunteers, and property with the New Mexico Self-Insurers Fund. The relationship with the Fund is established by a joint powers agreement with the New Mexico Municipal League.

Beginning with fiscal year 2009, the City began self-insuring its workers compensation insurance and using the New Mexico Self-insurers Fund to handle claims and reinsurance. The Fund also provides safety training for all City employees as part of the fees paid to the Fund. The City requires all employees to attend a minimum number of hours of training based on specific job classifications.

Employee Health Care and Pension Plans. The City's medical plan is a self-funded medical plan and the City offers a choice of medical plans and a choice of either the Presbyterian or Lovelace provider network. The City also provides dental insurance through a self-funded dental plan. The City offers a flexible spending account program which provides employees with the opportunity to set aside dollars on a pre-tax basis in either a Healthcare Reimbursement Account or a Dependent Care Reimbursement Account. The City also offers life and disability insurance on a voluntary basis.

Substantially all full-time employees of the City participate in a public employee retirement system authorized under the Public Employees' Retirement Act (Chapter 10, Article II NMSA 1978). The defined benefit plan provides for retirement, disability benefits, and survivor benefits to plan members and beneficiaries.

The City became a member of the New Mexico Retiree Health Care Authority on July 1, 2007 to provide retirement health care for employees.

Awards. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial reporting to the City of Rio Rancho for its comprehensive annual financial report for the fiscal year ended June 30, 2009. This is fifth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy generally accepted accounting principles and applicable legal requirements. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The Government Finance Officers Association of the United States and Canada presented an Award for Distinguished Budget Presentation to the City of Rio Rancho for its Annual Operating Budget for Fiscal Year ending June 30, 2009, which was the fourth consecutive year that the City received this award.

In order to receive this award, a government must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communications medium. We believe our current budget continues to conform to program requirements.

Acknowledgments. The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the entire Financial Services Department. We express our sincere appreciation to Marta Ortiz and Accounting Staff for the contributions made in the preparation of this report.

Respectfully submitted,

James C. Jimenez
City Manager

Olivia Padilla-Jackson
Director of Financial Services

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Rio Rancho
New Mexico

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2009

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



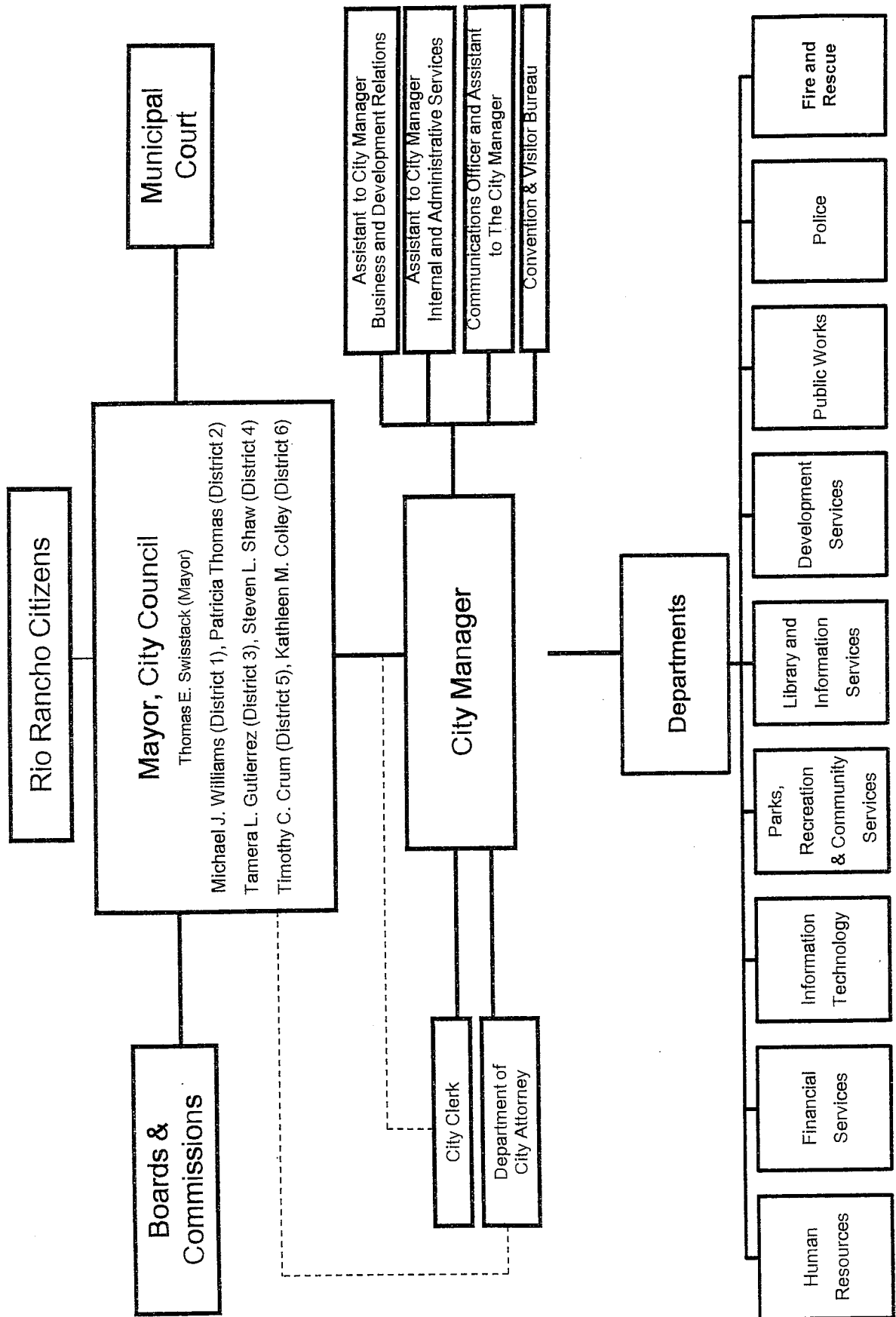
A stylized, handwritten signature in black ink.

President

A handwritten signature in black ink that reads "Jeffrey R. Emer".

Executive Director

City of Rio Rancho Organizational Structure



CITY OF RIO RANCHO, NEW MEXICO

OFFICIAL ROSTER

MAYOR AND CITY COUNCIL

Thomas E. Swisstack, Mayor

Michael J. Williams, Councilor, District 1

Patricia A. Thomas, Councilor, District 2

Tamera L. Gutierrez, Councilor, District 3

Steven L. Shaw, Councilor, District 4

Timothy C. Crum, Councilor, District 5

Kathleen M. Colley, Councilor, District 6

ADMINISTRATIVE OFFICIALS

James C. Jimenez, City Manager

Roman Montoya, City Clerk

Olivia Padilla-Jackson, Director of Financial Services

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of the City Council
and Citizens of the City of Rio Rancho
City of Rio Rancho, New Mexico

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information and the budgetary comparisons for the general fund and major special revenue fund of the City of Rio Rancho, New Mexico (the City), as of and for the year ended June 30, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. We have also audited the financial statements of each of the City's nonmajor governmental funds, fiduciary funds and the budgetary comparisons for the major capital projects funds and all nonmajor funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2010, as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the



Honorable Mayor and Members of the City Council
and Citizens of the City of Rio Rancho
City of Rio Rancho, New Mexico

City, as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund and major special revenue fund for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund and fiduciary funds of the City as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the major capital projects funds and all nonmajor funds for the year then ended in conformity with accounting principles generally accepted in the United States of America, as described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 23, 2010, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 19 through 35 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the basic financial statements, and the combining and individual fund financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of the City. In addition, the accompanying supplemental information, such as the introductory section, statistical section and the additional schedules listed as "other supplemental information" in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements of the City, including the Schedule of Changes in Assets and

Honorable Mayor and Members of the City Council
and Citizens of the City of Rio Rancho
City of Rio Rancho, New Mexico

Liabilities for Agency Funds. The Schedule of Expenditures of Federal Awards and other supplemental information have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The information in the introductory and statistical sections listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Mayness + Company LLC

November 23, 2010

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MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
(Required Supplementary Information)

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**CITY OF RIO RANCHO, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2010**

As management of the City of Rio Rancho (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2010.

FINANCIAL HIGHLIGHTS

The financial statements, which follow the Management's Discussion and Analysis, provide those significant key financial highlights for 2010 as follows:

- In the Statement of Net Assets the City's total net assets of governmental activities increased \$26.4 million to \$258.6 million and business-type activities increased \$14.3 million to \$153.0 million representing 62.8 percent and 37.2 percent respectively, of the total net assets of \$411.7 million.
- In the Statement of Activities the total governmental activities revenues amounted to \$101.0 million, of which general revenues from governmental activities accounted for \$48.0 million in revenue, or 47.5 percent of all revenues from governmental activities. Program specific revenues in the form of charges for services and grants and contributions accounted for \$52.9 million or 52.5 percent of total governmental activities revenues.
- In the Statement of Activities the total business-type activities revenues amounted to \$41.7 million, of which general revenues from business-type activities accounted for \$0.9 million or 2.2 percent of all revenues from business-type activities. Program specific revenues in the form of charges for services and capital contributions accounted for \$40.8 million or 97.8 percent of business-type activities.
- In the Statement of Activities the City had \$74.4 million in expenses related to governmental activities, of which \$52.9 million of these expenditures were offset by program specific charges for services or grants and contributions. General revenues of \$48.0 million were adequate to provide for the remaining costs of these programs. The City had \$27.4 million in expenses related to business-type activities. These expenses were offset by program specific revenues in the form of charges for services and capital grants and contributions of \$40.8 million.
- The General Fund had \$46.4 million in revenues, which primarily consisted of taxes and charges for services. The total expenditures of the General Fund were \$48.9 million. The General Fund's fund balance increased from \$9.6 million to \$10.9 million, an increase of 13.5 percent.
- Net assets of the Enterprise Funds increased \$13.9 million. Operating revenues of \$32.5 million exceeded operating expenses of \$22.1 million. Non-operating expenses of \$8.0 million exceeded non-operating revenues of \$6.5 million.

CITY OF RIO RANCHO, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2010

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

In the government-wide financial statements, the City's activities are presented in the following categories.

- ***Governmental activities*** – Governmental activities include most of the City's basic services such as general government, public safety, public works, culture and recreation, and economic development. Gross receipt taxes, municipal and State shared taxes, intergovernmental revenues and charges for services finance most of these activities.
- ***Business type activities*** – Business-type activities include water, wastewater, and event center activities provided by the City. These services are financed through user fees and charges.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows of spendable resources, as well as on balances of

**CITY OF RIO RANCHO, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2010**

OVERVIEW OF FINANCIAL STATEMENTS (Cont'd)

spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decision. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The reconciliations are on pages 47 and 51, respectively.

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, DPS Grants, Bond Construction 2009 Bonds, and ARRA Stimulus Funds are considered to be a major fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements and schedules.

Proprietary funds. The City maintains one proprietary fund type. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for water and wastewater utility services, and the event center activities. The proprietary fund provides the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statement provides additional information for the Utilities Fund and the Multi-Purpose Event Center Fund, which are considered to be major funds of the City.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the basic financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Under New Mexico Administrative Code Section 2.2.2 governments in New Mexico must include the budgetary comparison statement for the General and major Special Revenue Funds as a component of the fund financial statements within the basic financial statements.

CITY OF RIO RANCHO, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2010

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$411.7 million as of June 30, 2010.

A major portion of the City's net assets (86.4 percent) reflects its investment in capital assets (e.g., land and improvements, infrastructure, buildings and improvements, improvements other than buildings, vehicles, furniture and equipment and construction in progress), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. In addition, a portion of the City's net assets (4.5 percent) is restricted for the specified purposes of debt service repayment and capital outlay investment.

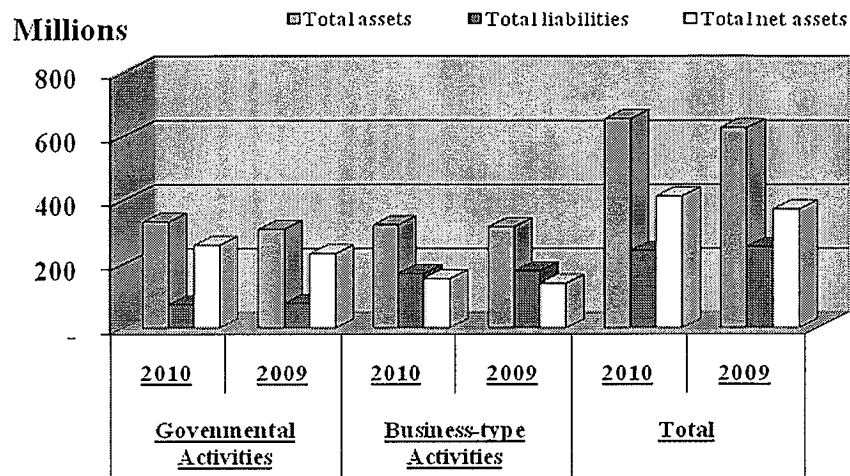
The City's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

The following table presents a summary of the City's net assets for the fiscal years ended June 30, 2010 and June 30, 2009.

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Current and other assets	\$ 50,703,371	\$ 65,585,688	\$ 43,693,718	\$ 60,425,900	\$ 94,397,089	\$ 126,011,588
Capital assets, net	<u>280,869,772</u>	<u>243,057,880</u>	<u>278,374,012</u>	<u>255,729,498</u>	<u>559,243,784</u>	<u>498,787,378</u>
Total assets, net	331,573,143	308,643,568	322,067,730	316,155,398	653,640,873	624,798,966
Current liabilities	13,711,967	12,922,166	10,325,718	12,537,903	24,037,685	25,460,069
Long-term obligations						
outstanding	<u>59,266,229</u>	<u>63,680,741</u>	<u>158,683,504</u>	<u>164,838,643</u>	<u>217,949,733</u>	<u>228,519,384</u>
Total liabilities	72,978,196	76,602,907	169,009,222	177,376,546	241,987,418	253,979,453
Net assets:						
Invested in capital assets,						
net of related debt	233,285,141	206,205,225	122,367,287	108,895,574	355,652,428	315,100,799
Restricted	9,465,808	8,006,271	9,111,523	8,813,942	18,577,331	16,820,213
Unrestricted	<u>15,843,998</u>	<u>17,829,165</u>	<u>21,579,698</u>	<u>21,069,336</u>	<u>37,423,696</u>	<u>38,898,501</u>
Total net assets	<u>\$ 258,594,947</u>	<u>\$ 232,040,661</u>	<u>\$ 153,058,508</u>	<u>\$ 138,778,852</u>	<u>\$ 411,653,455</u>	<u>\$ 370,819,513</u>

**CITY OF RIO RANCHO, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2010**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)



The following are significant current year transactions that have had an impact on the Statement of Net Assets.

- The City issued \$300 thousand in loan proceeds for the purpose of purchasing a Fire Pumper and equipment.
- The City issued \$2.2 million in loan proceeds for the purpose of various upgrades to the City's water system which includes the installation and design of a Reverse Osmosis Treatment system. The City will receive principal forgiveness of \$1.1 million from the American Recovery & Reinvestment Act of 2009 (ARRA). This treatment will give the City the ability to meet the requirements set forth by EPA.
- The City received \$17.2 million in contributed capital for various City infrastructure projects which were constructed by developers.
- The City received \$5.0 million in contributed capital for water and wastewater improvements which were constructed by developers.

CITY OF RIO RANCHO, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2010

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)

Changes in net assets. The City's total revenues for the fiscal year ended June 30, 2010, were \$142.7 million with an increase in net assets of \$40.7 million, thereby accounting for 11.0 percent increase in the net assets of the City. The following table presents a summary of the changes in net assets for fiscal years ended June 30, 2010 and June 30, 2009.

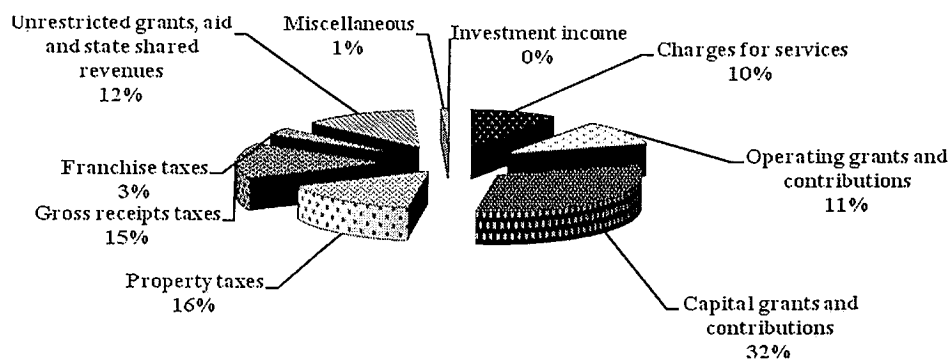
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Revenues:						
Program revenues:						
Charges for services	\$9,927,274	\$9,240,291	\$32,480,154	\$28,145,488	\$42,407,428	\$37,385,779
Operating grants and contributions	10,780,000	3,308,384			10,780,000	3,308,384
Capital grants and contributions	32,356,726	12,616,188	8,316,845	9,952,147	40,673,571	22,568,335
General revenues:						
Property taxes	15,969,391	14,484,127			15,969,391	14,484,127
Gross receipts taxes	14,926,671	15,720,986			15,434,222	15,720,986
Franchise taxes	2,995,701	2,988,269			2,995,701	2,988,269
Unrestricted grants, aid and state shared revenues	12,772,147	13,425,817			12,772,147	13,425,817
Miscellaneous	764,358	903,402	840,208	531,454	1,604,566	1,434,856
Investment income	<u>53,817</u>	<u>284,896</u>	<u>75,894</u>	<u>1,191,571</u>	<u>129,711</u>	<u>1,476,467</u>
Total revenues	<u>\$101,053,636</u>	<u>\$72,972,360</u>	<u>\$41,713,101</u>	<u>\$39,820,660</u>	<u>\$142,766,737</u>	<u>\$112,793,020</u>
Expenses:						
General government	8,660,909	8,726,702			8,660,909	8,726,702
Public safety	36,265,064	28,644,454			36,265,064	28,644,454
Public works	14,723,718	16,119,562			14,723,718	16,119,562
Culture and recreation	9,497,987	10,277,960			9,497,987	10,277,960
Economic development	2,672,473	3,477,853			2,672,473	3,477,853
Interest on long-term debt	2,588,532	1,918,399			2,588,532	1,918,399
Water			11,261,251	11,894,252	11,261,251	11,894,252
Wastewater			16,041,994	12,831,006	16,041,994	12,831,006
Event center	<u>-</u>	<u>-</u>	<u>130,200</u>	<u>1,430,731</u>	<u>130,200</u>	<u>1,430,731</u>
Total expenses	<u>74,408,683</u>	<u>69,164,930</u>	<u>27,433,445</u>	<u>26,155,989</u>	<u>101,842,128</u>	<u>95,320,919</u>
Increase in net assets	<u>\$ 26,644,953</u>	<u>\$3,807,430</u>	<u>\$14,279,656</u>	<u>\$13,664,671</u>	<u>\$40,924,609</u>	<u>\$17,472,101</u>

CITY OF RIO RANCHO, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2010

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)

	<u>Year Ended June 30, 2010</u>		<u>Year Ended June 30, 2009</u>	
	<u>Total Expenses</u>	<u>Net (Expense)/Revenue</u>	<u>Total Expenses</u>	<u>Net (Expense)/Revenue</u>
Governmental activities:				
General government	\$8,660,909	\$(6,115,959)	\$8,726,702	\$(6,685,066)
Public safety	36,265,064	(20,333,622)	28,644,454	(21,100,011)
Public works	14,723,718	16,928,005	16,119,562	(3,740,899)
Culture and recreation	9,497,987	(7,251,511)	10,277,960	(7,609,643)
Economic development	2,672,473	(2,186,017)	3,477,853	(2,946,049)
Interest on long-term debt	<u>2,588,532</u>	<u>(2,588,532)</u>	<u>1,918,399</u>	<u>(1,918,399)</u>
Total expenses	<u>\$74,408,683</u>	<u>\$(21,547,636)</u>	<u>\$69,164,930</u>	<u>\$(44,000,067)</u>
Business-type activities:				
Water	11,261,251	15,109,414	11,894,252	11,733,810
Wastewater	16,041,994	(2,237,423)	12,831,006	362,468
Event center	<u>130,200</u>	<u>491,563</u>	<u>1,430,731</u>	<u>(154,632)</u>
Total expenses	<u>\$27,433,445</u>	<u>\$13,363,554</u>	<u>\$26,155,989</u>	<u>\$11,941,646</u>

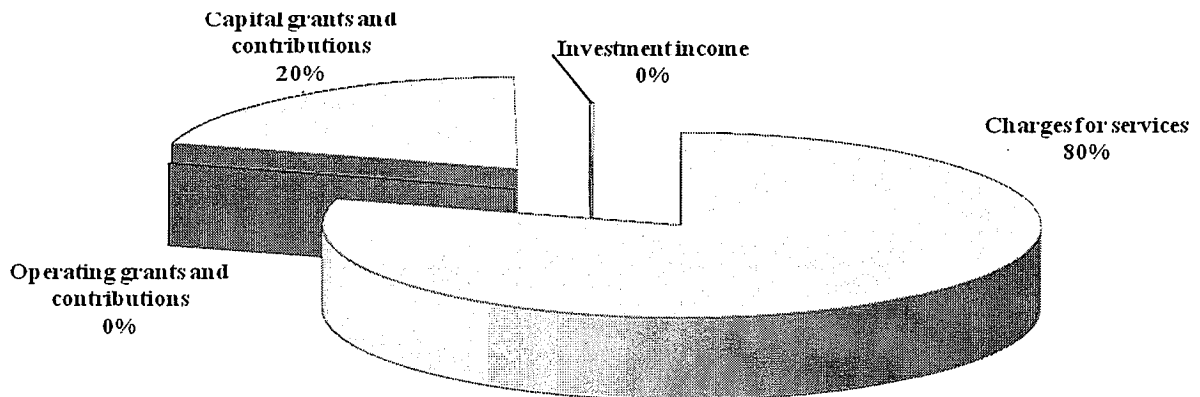
Revenues by Source – Governmental Activities



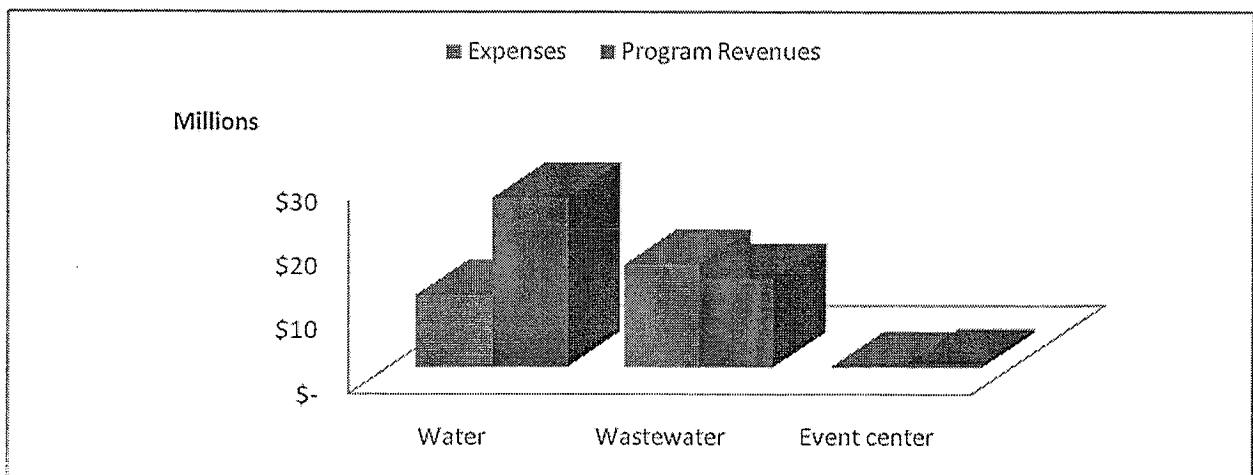
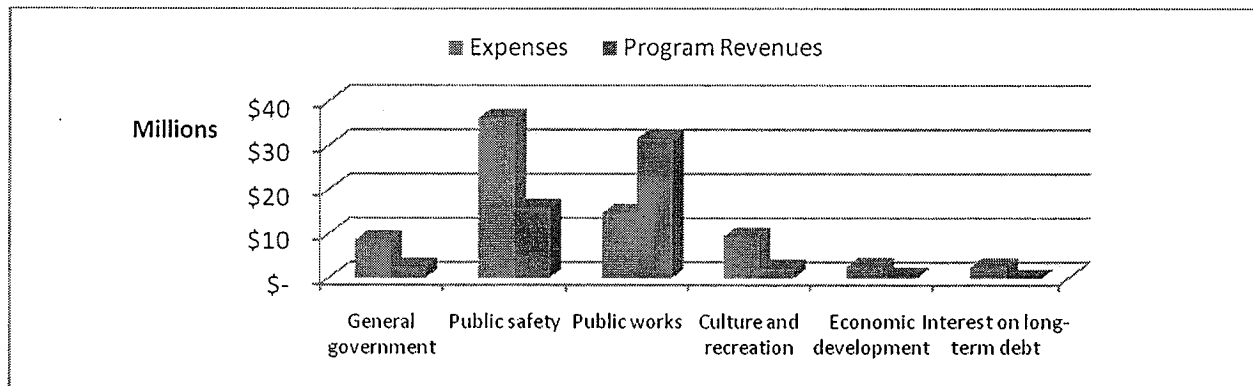
**CITY OF RIO RANCHO, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2010**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)

Revenues by Source – Business-type Activities



Expenses and Program Revenues – Governmental & Business type Activities



**CITY OF RIO RANCHO, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2010**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Concl'd)

Governmental-type activities: Net assets of the governmental-type activities at the end of the year amount to \$258.6 million. The following are significant current year transactions that have had an impact on the Statement of Activities.

- Program revenues including federal and state grants and contributions, charges for services, and local revenues subsidized certain programs totaling \$52.9 million.
- The cost of all governmental activities in fiscal year 2010 was \$74.4 million, 7.8 percent higher than fiscal year 2009 due primarily to the increase in grant and loan funded projects.
- Net cost of governmental activities (\$21.6 million) was financed by general revenues (\$48.0 million) that are made up of primarily gross receipt taxes (\$15.4 million), property taxes (\$16.0 million), and unrestricted grants, aid and state shared revenues (\$12.8 million).
- Gross receipt taxes and unrestricted grants, aid and state shared revenues decreased \$1.5 thousand from fiscal year 2009, primarily due to the continued decrease in construction activity, downturn in the economy, and in single-family housing market.
- Investment income decreased \$1.3 thousand due to declining in interest rates from the downturn in the economy.
- Property tax revenues exceeded fiscal year 2009 by \$1.5 million, primarily due to an increase in a large number of homes constructed and the reassessment of non-residential properties.

Business-type activities. Net assets of the business-type activities at the end of the year amount to \$153.1 million. The increase of \$14.3 million over fiscal year 2009 was primarily due to a rate increase in the charges for water and wastewater services and developer capital contributions.

The following are significant current year transactions that have had an impact on the Statement of Net Activities.

- The City's water and wastewater utility increase in net assets is partially attributed to 5.0 percent increase in water rates, 5.0 percent increase in wastewater rates, and an increase in the number of customers.
- The cost of all business-type activities in fiscal year 2010 was \$27.4 million, .5 percent higher than fiscal year 2009 due primarily to increases in electricity rates and water and wastewater operational expenses due to growth of the City.
- Program revenues, specifically operating grants and contributions for the Santa Ana Star Center decreased due a change in management companies and the loss of a permanent tenant.

**CITY OF RIO RANCHO, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2010**

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year.

The financial performance of the City as a whole is reflected in its governmental funds. As the City completed the year, its governmental funds reported a combined fund balance of \$44.8 million; an decrease of \$15.6 million primarily due to the use of bond funds on capital projects.

The General Fund is the principal operating fund of the City. The increase in fund balance of \$1.2 million in the General Fund to \$10.9 million as of June 30, 2010 was due primarily to \$8.0 thousand reduction of capital expenditures and across the board furloughs. Property taxes increased, however, municipal and state shared taxes decreased due to the downturn in the economy.

Proprietary funds. Net assets of the business-type activities at the end of the year amount to \$152.7 million. The increase of \$13.9 million over fiscal year 2009 was primarily due to a rate increase in the charges for water and wastewater services, and \$5.0 million in capital contributions.

BUDGETARY HIGHLIGHTS

The City revised the overall budget during the year. The City conducts a mid-year budget review, which provides the City with an opportunity to adjust the fiscal year budget for changes in projected revenue and expenditure levels. The fiscal year 2010 budget recommendations for expenditures are focused on the following objectives:

- The budget reflects a struggling economy, which calls for spending in the 2010 fiscal year that is 5.0 percent below the budgeted amount for the 2009 fiscal year.
- Reserve fund balances are at 8.3 percent of expenditures, which is the minimum required by the State of New Mexico. There are no unreserved fund balance in the budget which means that we will have to closely monitor revenues and expenditures throughout the year.
- While we are able to avoid layoffs, City employees will be impacted by changes to health care benefits and will require them to absorb more costs.
- 39 full-time-equivalent positions have been frozen and if the budget situation improves during the first half of the 2010 fiscal year, these frozen positions and compensation increases should be reconsidered during the mid-year budget review.

**CITY OF RIO RANCHO, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2010**

BUDGETARY HIGHLIGHTS (Concl'd)

The increases and decreases reflective of the fiscal year 2010 midyear budget can be briefly summarized as follows:

- City departments met our budget challenge and continue to make operational changes that help the City handle the economic slowdown. Midyear operational changes that reduce budgeted expenditures by \$571,106 include:
 - Moved qualifying expenditures from the General Fund to Special Funds
 - Renegotiated professional and/or service contracts resulting in reduced costs to the City
 - Analyzed and made system improvements to save resources
 - Reduced facility operating hours
 - Reduced program/event costs
 - Committed to provide services with less staff due to job freezes in FY09 and FY10
- City Councilors made concessions and reverted discretionary funding to help those employees who incur high hospital deductibles. The employees co-pay for hospitalizations changed to \$1,000 beginning in FY10 which financially impacted the families of our employees.

The variances between the budget and actual revenues and expenditures for the General fund can be briefly summarized as follows:

- \$.8 million negative variance for municipal and state share taxes is due to the reduction of construction and retail gross receipts tax revenue.
- \$1.5 million in expenditure savings due to departments aggressively reducing materials and services budgets by 7%.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. The City's investment in capital assets for its governmental and business-type activities as of June 30, 2010, amounts to \$559.2 million (net of accumulated depreciation). This investment in capital assets includes buildings, facilities, vehicles, equipment, and infrastructure assets. This amount represents a net increase of \$60.5 million over last year, primarily due to additions of general governmental road network assets, and various arsenic water projects. Total depreciation expense for the year was \$15.4 million.

**CITY OF RIO RANCHO, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2010**

CAPITAL ASSETS AND DEBT ADMINISTRATION (Cont'd)

The following schedule presents capital asset balances net of depreciation for the fiscal years ended June 30, 2010 and June 30, 2009.

	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Total</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Land	\$58,828,805	\$56,385,414	\$22,056,103	\$15,328,186	\$80,884,908	\$71,713,600
Land improvements	8,350,756	7,673,845	3,044,543	3,121,019	11,395,299	10,794,864
Buildings and improvements	46,411,937	37,238,165	72,875,567	73,843,630	119,287,504	111,081,797
Vehicles, furniture and equipment	8,336,722	9,011,210	14,543,536	15,885,586	22,880,258	24,896,791
System infrastructure	100,343,446	99,482,673	96,871,758	83,848,085	197,215,204	183,330,758
Construction in progress	<u>58,598,106</u>	<u>33,266,573</u>	<u>68,982,505</u>	<u>63,702,992</u>	<u>127,580,611</u>	<u>96,969,565</u>
Total	<u>\$280,869,772</u>	<u>\$243,057,880</u>	<u>\$278,374,012</u>	<u>\$255,729,498</u>	<u>\$559,243,785</u>	<u>\$498,787,378</u>

Additional information on the City's capital assets can be found in Note 4.

Debt Administration. At the end of the current fiscal year, the City had \$232.9 million in long-term debt outstanding, with \$11.6 million due within one year. The following table presents a summary of the City's outstanding bonded debt for the fiscal years ended June 30, 2009 and June 30, 2008.

	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Total</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
General obligation bonds	\$32,875,000	\$36,075,000			\$32,875,000	\$36,075,000
Revenue bonds	17,820,000	18,645,000	151,825,000	158,460,000	169,645,000	177,105,000
Notes payable	11,563,370	11,665,621			11,563,370	11,665,621
Loans payable	-	-	<u>8,888,514</u>	<u>8,032,219</u>	<u>8,888,514</u>	<u>8,032,219</u>
Total	<u>\$62,258,370</u>	<u>\$66,385,621</u>	<u>\$160,713,514</u>	<u>\$166,492,219</u>	<u>\$222,971,884</u>	<u>\$232,877,840</u>

State statutes currently limit the amount of general obligation debt a City may issue to 4 percent of its total assessed valuation for general purposes. The current debt limitation for the City is \$86,824,311. State statute also currently does not limit the amount of general obligation debt a City may issue for water and wastewater system. The City has no outstanding general obligation debt for the water and wastewater system.

The City's general obligation bond debt is graded at AA- by Fitch Ratings and Aaa by Moody's. The gross receipts tax revenue bond debt is graded an A1 by Moody's and AA- by Standard & Poors.

**CITY OF RIO RANCHO, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2010**

CAPITAL ASSETS AND DEBT ADMINISTRATION (Concl'd)

The City's water and wastewater revenue bond debt was upgraded to A+ by Fitch Ratings and Standard & Poors maintained an A rating.

Additional information on the City's long-term debt can be found in Note 5.

The following are significant current year transactions that have had an impact on capital assets.

- The addition of \$10.0 million in governmental activities primarily due to the construction of a new Aquatics Center and various infrastructure projects.
- The addition of \$17.2 million in capital contributions primarily for a new park and miscellaneous infrastructure.
- The addition of \$13.0 million in business-type activities primarily due to the federal mandate of water well arsenic removal systems.
- The addition of \$5.0 million in capital contributions primarily from developer contributions.

The following are significant current year transactions that have had an impact on long-term debt.

- The City issued \$300 thousand in loan proceeds for the purpose of purchasing a Fire Pumper and equipment.
- The City issued \$2.2 million in loan proceeds for the purpose of various upgrades to the City's water system which includes the installation and design of a Reverse Osmosis Treatment system. The City will receive principal forgiveness of \$1.1 million from the American Recovery & Reinvestment Act of 2009 (ARRA). This treatment will give the City the ability to meet the requirements set forth by EPA.

NEXT YEAR'S BUDGET AND ECONOMIC FACTORS

Many factors were considered by the City's administration during the process of developing the fiscal year 2010-2011 budgets. The objectives set for the fiscal year budget include the following:

- The ongoing economic recession has continued to weigh on local employment, housing, and overall consumer spending, which in turn has led to significant declines in City revenues.
- In order to meet the growing demands of the community and address the budget structural deficit, the Governing Body has reduced expenditure levels and adopted various revenue measures.
- We have worked hard to balance the budget in this extremely challenging environment. Despite increases in energy and healthcare expenses, City expenditure levels rose a modest 2.2 percent, reflecting reductions in spending in most other areas. Expenditure reductions include:
 - Freezing positions as they become vacant, with 77 non-first responder positions currently vacant;
 - Foregoing compensation increases for all employees;

**CITY OF RIO RANCHO, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2010**

NEXT YEAR'S BUDGET AND ECONOMIC FACTORS (Cont'd)

- Implementing 1.0 percent salary reductions in the form of furloughs and one-time pay reductions.
- The adopted budget also includes a number of revenue increases, including a one-quarter percent increase in the municipal gross receipts tax rate, new development service fees, and a new motor vehicle transaction fee. We estimate that the combined expenditure and revenue actions will provide a reserve fund balance that equals 8.3 percent of expenditures, as required by the State of New Mexico.
- In spite of these challenging economic times, not only are we maintaining service levels, but our City continues to move forward. Through this budget we will enter our second year of implementation of the Strategic Plan. The purpose of the strategic planning effort was to create a set of clear goals and strategies for meeting priority needs and challenges facing the community and City government.
- Compensation accounts for 80.0 percent of the General Fund operating budget. The wages and benefits increased 2.2 percent or \$825,182. The primary factor contributing to the increase is the increase in the cost of healthcare benefits, which rose approximately 9.0 percent from FY10 levels. Measures taken to reduce personnel expenditures include:
 - freezing positions that become vacant through attrition.
 - forgoing salary increases.
 - 1.0 percent salary reduction in the form of furloughs, holiday pay reductions, uniform allowance reduction, or one-time salary reductions;
 - delaying hiring process for certain positions;
 - reducing hours or days of aquatics operations;
 - reducing summer program staffing levels; and
 - establishing a part-time voluntary program which allows employees to temporarily change from full time employment to part time employment.

The City is rapidly becoming one of the hottest places to relocate a business, offering a portfolio of incentives, tax benefits and other programs that stand behind New Mexico commitment, including one of the most aggressive job training programs in the nation. New Mexico's communities are not only great places to live and work; they are great places to live, surrounded by a variety of cultural and recreational opportunities.

The Albuquerque MSA economy is not so good in the near term, getting better for a while, and then easing off. The recession is not expected to continue through the end of 2010, with recovery commencing in 2011 and reaching full stride by the second half of 2012. The MSA economy lost 4,933 jobs (net) during the second quarter compared to a year earlier, fewer than the 8,133 jobs lost during the first quarter. The construction sector is also expected to return to growth mode, but not until 2012. Beginning in that year, construction employment will average upwards of 2.5 percent annually through 2015. Housing is expected to begin a comeback this year, but will not get untracked until 2011, and enjoy moderate growth thereafter.

**CITY OF RIO RANCHO, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2010**

NEXT YEAR'S BUDGET AND ECONOMIC FACTORS (Concl'd)

These indicators were considered when adopting the budget for fiscal year 2010-11. Amounts available in the General Fund budget are \$48.1 million, an increase of 6.4 percent. Municipal and state shared gross receipts taxes are expected to increase 8.0 percent and licenses and permits are estimated to increase 88.3 percent. Budgeted expenditures in the General Fund increased 2.2 percent to \$49.0 million in fiscal year 2010-11. No new programs were added to the 2010-11 budget.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the resources it receives. If you have questions about this report or need additional information, contact the Financial Services Department, City of Rio Rancho, 3200 Civic Center Circle NE Rio Rancho, New Mexico 87144.

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BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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CITY OF RIO RANCHO, NEW MEXICO
STATEMENT OF NET ASSETS
JUNE 30, 2010

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Current assets:			
Cash and investments	\$ 36,053,873	\$ 14,794,918	\$ 50,848,791
Property taxes receivable	1,311,642		1,311,642
Accounts receivable	1,733,098	5,775,579	7,508,677
Due from federal government	4,049,435	5,699,510	9,748,945
Due from state government	6,955,850	663,207	7,619,057
Due from county government		354,622	354,622
Total current assets	<u>50,103,898</u>	<u>27,287,836</u>	<u>77,391,734</u>
Noncurrent assets:			
Restricted investments		9,111,523	9,111,523
Deferred bond issuance costs	390,917	2,139,847	2,530,764
Deferred refunding charges	38,312		38,312
Deferred bond discount	170,244	689,608	859,852
Goodwill (net of amortization)		4,464,904	4,464,904
Land	58,828,805	22,056,103	80,884,908
Land improvements	11,611,907	3,859,389	15,471,296
Infrastructure	217,630,494	111,283,477	328,913,971
Buildings and improvements	51,157,085	82,533,220	133,690,305
Vehicles, furniture and equipment	23,038,136	29,194,810	52,232,946
Construction in progress	58,598,106	68,982,505	127,580,611
Accumulated depreciation	(139,994,761)	(39,535,492)	(179,530,253)
Total noncurrent assets	<u>281,469,245</u>	<u>294,779,894</u>	<u>576,249,139</u>
Total assets	<u>331,573,143</u>	<u>322,067,730</u>	<u>653,640,873</u>
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable	2,174,031	1,206,652	3,380,683
Accrued payroll	1,117,963	49,369	1,167,332
Accrued interest payable	573,917	710,241	1,284,158
Compensated absences payable	4,789,388	71,552	4,860,940
Arbitrage payable	146,740	128,511	275,251
Note payable	468,149	483,405	951,554
Deferred revenue	281,779		281,779
General obligation bonds payable	3,300,000		3,300,000
Revenue bonds payable	860,000	6,620,000	7,480,000
Deposits held for others		1,055,988	1,055,988
Total current liabilities	<u>13,711,967</u>	<u>10,325,718</u>	<u>24,037,685</u>
Noncurrent liabilities:			
Note payable	11,095,221	8,405,109	19,500,330
General obligation bonds payable	29,575,000		29,575,000
Revenue bonds payable	16,960,000	145,205,000	162,165,000
Deferred bond premium	1,636,008	5,073,395	6,709,403
Total non-current liabilities	<u>59,266,229</u>	<u>158,683,504</u>	<u>217,949,733</u>
Total liabilities	<u>72,978,196</u>	<u>169,009,222</u>	<u>241,987,418</u>
<u>NET ASSETS</u>			
Invested in capital assets, net of related debt	233,285,141	122,367,287	355,652,428
Restricted for:			
Debt service	4,589,534	9,111,523	13,701,057
Capital projects	4,876,274		4,876,274
Unrestricted	15,843,998	21,579,698	37,423,696
Total net assets	<u>\$ 258,594,947</u>	<u>\$ 153,058,508</u>	<u>\$ 411,653,455</u>

The notes to the financial statements are an integral part of this statement.

CITY OF RIO RANCHO, NEW MEXICO
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2010

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary Government					
Governmental activities:					
General government	\$ 8,660,909	\$ 1,464,466	\$	\$ 1,080,484	\$ (6,115,959)
Public safety	36,265,064	5,024,002	10,302,605	604,835	(20,333,622)
Public works	14,723,718	1,282,527	329,132	30,040,064	16,928,005
Culture and recreation	9,497,987	1,689,523	128,563	428,390	(7,251,511)
Economic development	2,672,473	466,756	19,700		(2,186,017)
Interest on long-term debt	2,588,532				(2,588,532)
Total governmental activities	<u>74,408,683</u>	<u>9,927,274</u>	<u>10,780,000</u>	<u>32,153,773</u>	<u>(21,547,636)</u>
Business-type activities:					
Water	11,261,251	18,756,541		7,614,124	
Wastewater	16,041,994	13,141,837		662,734	
Event center	130,200	581,776		39,987	
Total business-type activities	<u>27,433,445</u>	<u>32,480,154</u>		<u>8,316,845</u>	
Total primary government	<u>\$ 101,842,128</u>	<u>\$ 42,407,428</u>	<u>\$ 10,780,000</u>	<u>\$ 40,470,618</u>	<u>\$ (21,547,636)</u>
General revenues:					
Taxes:					
Property taxes, levied for general purposes					11,436,320
Property taxes, levied for debt service					4,533,071
Gross receipts taxes					15,434,222
Franchise taxes					2,995,701
Unrestricted grants, aid and state shared revenues					12,772,147
Investment income					53,817
Miscellaneous					764,358
Loss on sale of capital assets					(6,526)
Total general revenues					<u>47,983,110</u>
Changes in net assets					26,435,474
Net assets, beginning of year					232,040,661
Restatement					<u>118,812</u>
Net assets, beginning of year, as restated					<u>232,159,473</u>
Net assets, end of year					<u>\$ 258,594,947</u>

The notes to the financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes
in Net Assets

Business-type Activities	Totals
\$	\$ (6,115,959)
	(20,333,622)
	16,928,005
	(7,251,511)
	(2,186,017)
	(2,588,532)
	(21,547,636)
15,109,414	15,109,414
(2,237,423)	(2,237,423)
491,563	491,563
13,363,554	13,363,554
\$ 13,363,554	\$ (8,184,082)
	11,436,320
	4,533,071
	15,434,222
	2,995,701
	12,772,147
75,894	129,711
840,208	1,604,566
	(6,526)
916,102	48,899,212
14,279,656	40,715,130
138,778,852	370,819,513
	118,812
138,778,852	370,938,325
\$ 153,058,508	\$ 411,653,455

CITY OF RIO RANCHO, NEW MEXICO
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2010

	<u>General Fund</u>	<u>DPS Grants Fund</u>	<u>ARRA Stimulus Roads Fund</u>
<u>ASSETS</u>			
Cash and investments	\$ 4,664,573	\$	\$
Property taxes receivable	847,445		
Accounts receivable	1,702,017		
Due from federal government	92,533	350,804	2,683,602
Due from state government	5,152,818	89,258	
Due from other funds	564,190		
Total assets	<u><u>\$ 13,023,576</u></u>	<u><u>\$ 440,062</u></u>	<u><u>\$ 2,683,602</u></u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 168,696	\$ 360	\$ 1,134,070
Accrued payroll	1,087,373	12,460	
Accrued interest payable			
Due to other funds		373,019	2,683,602
Deferred revenue	841,707		
Total liabilities	<u><u>2,097,776</u></u>	<u><u>385,839</u></u>	<u><u>3,817,672</u></u>
Fund balances (deficits):			
Unreserved:			
Undesignated	10,925,800		
Unreserved reported in:			
Special revenue funds		54,223	
Capital projects funds			(1,134,070)
Debt service funds			
Total fund balances	<u><u>10,925,800</u></u>	<u><u>54,223</u></u>	<u><u>(1,134,070)</u></u>
Total liabilities and fund balances	<u><u>\$ 13,023,576</u></u>	<u><u>\$ 440,062</u></u>	<u><u>\$ 2,683,602</u></u>

The notes to the financial statements are an integral part of this statement.

Bond Construction 2009 Roads Fund	Non-Major Governmental Funds	Total Governmental Funds
\$ 10,994,730	\$ 20,394,570	\$ 36,053,873
	464,197	1,311,642
	31,081	1,733,098
	922,496	4,049,435
	1,713,774	6,955,850
4,870,638		5,434,828
<u>\$ 15,865,368</u>	<u>\$ 23,526,118</u>	<u>\$ 55,538,726</u>

\$ 355,714	\$ 515,191	\$ 2,174,031
	18,130	1,117,963
	573,917	573,917
	2,378,207	5,434,828
	556,310	1,398,017
<u>355,714</u>	<u>4,041,755</u>	<u>10,698,756</u>

		10,925,800
	9,538,300	9,592,523
15,509,654	5,754,097	20,129,681
	4,191,966	4,191,966
<u>15,509,654</u>	<u>19,484,363</u>	<u>44,839,970</u>
<u>\$ 15,865,368</u>	<u>\$ 23,526,118</u>	<u>\$ 55,538,726</u>

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CITY OF RIO RANCHO, NEW MEXICO
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2010

Total Governmental Fund balances **\$ 44,839,970**

Amounts reported for *governmental activities* in the Statement of Net Assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

Governmental capital assets	420,864,533	
Less accumulated depreciation	<u>(139,994,761)</u>	280,869,772

Property tax revenues that are not available to pay for current period expenditures are deferred in the funds.		1,116,238
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Deferred charges, issuance costs and premiums related to issuance of bonds are amortized over the life of the associated issue in the government-wide statements.		(1,036,535)
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Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.

Compensated absences payable	(4,789,388)	
Notes payable	(11,563,370)	
Arbitrage payable	(146,740)	
General obligation bonds payable	(32,875,000)	
Revenue bonds payable	<u>(17,820,000)</u>	<u>(67,194,498)</u>

Net Assets of Governmental Activities **\$ 258,594,947**

CITY OF RIO RANCHO, NEW MEXICO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2010

	General Fund	DPS Grants Fund	ARRA Stimulus Roads Fund	Bond Construction 2009 Roads Fund
Revenues:				
Property taxes	\$ 11,339,584	\$	\$	\$
Municipal and state shared taxes	22,840,790			
License and permits	335,490			
Intergovernmental federal	281,770	723,777	9,889,031	
Intergovernmental state		8,349,120		
Intergovernmental county	951			
Impact fees				
Charges for services	4,902,681			
Fines and forfeits	1,190,322			
Franchise fees	2,858,897			
Contributions and donations				
Investment income	6,325			6,028
Other revenues	2,632,700			
Total revenues	<u>46,389,510</u>	<u>9,072,897</u>	<u>9,889,031</u>	<u>6,028</u>
Expenditures:				
Current -				
General government	7,719,429			
Public safety	24,912,593	8,975,962		
Public works	6,557,447			44,609
Culture and recreation	7,417,108			
Economic development	2,021,855			
Other expenses				
Capital outlay	239,452	43,108	11,023,101	9,520,340
Debt service -				
Principal				
Interest and fiscal charges				
Bond issuance costs				50,249
Total expenditures	<u>48,867,884</u>	<u>9,019,070</u>	<u>11,023,101</u>	<u>9,615,198</u>
Excess (deficiency) of revenues over expenditures	<u>(2,478,374)</u>	<u>53,827</u>	<u>(1,134,070)</u>	<u>(9,609,170)</u>
Other financing sources (uses):				
Loan proceeds				
Sale of land proceeds	202,690			
Transfers in	3,910,516	3,611		
Transfers out	(394,723)	(1,967)		
Total other financing sources (uses)	<u>3,718,483</u>	<u>1,644</u>		
Changes in fund balances	<u>1,240,109</u>	<u>55,471</u>	<u>(1,134,070)</u>	<u>(9,609,170)</u>
Fund balances (deficits), beginning of year	9,600,869	(1,248)		25,118,824
Restatement	84,822			
Fund balances (deficits), beginning of year, as restated	9,685,691	(1,248)		25,118,824
Fund balances (deficits), end of year	<u>\$ 10,925,800</u>	<u>\$ 54,223</u>	<u>\$ (1,134,070)</u>	<u>\$ 15,509,654</u>

The notes to the financial statements are an integral part of this statement.

Non-Major Governmental Funds	Total Governmental Funds
\$ 4,491,453	\$ 15,831,037
5,365,579	28,206,369
	335,490
1,681,781	12,576,359
2,504,618	10,853,738
150,000	150,951
2,251,932	2,251,932
584,386	5,487,067
79,005	1,269,327
136,804	2,995,701
65,298	65,298
41,464	53,817
764,358	3,397,058
<u>18,116,678</u>	<u>83,474,144</u>

645,128	8,364,557
1,004,725	34,893,280
776,200	7,378,256
959,931	8,377,039
630,746	2,652,601
3,000	3,000
10,006,460	30,832,461
4,464,510	4,464,510
2,595,876	2,595,876
	50,249
<u>21,086,576</u>	<u>99,611,829</u>

<u>(2,969,898)</u>	<u>(16,137,685)</u>
--------------------	---------------------

337,259	337,259
	202,690
825,997	4,740,124
<u>(4,343,434)</u>	<u>(4,740,124)</u>
<u>(3,180,178)</u>	<u>539,949</u>

<u>(6,150,076)</u>	<u>(15,597,736)</u>
--------------------	---------------------

25,600,449	60,318,894
33,990	118,812
25,634,439	60,437,706
<u>\$ 19,484,363</u>	<u>\$ 44,839,970</u>

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CITY OF RIO RANCHO, NEW MEXICO
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2010

Net Changes in Fund Balances - Total Governmental Funds **\$ (15,597,736)**

Amounts reported for *governmental activities* in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Expenditures for capital assets	30,832,461	
Less current year depreciation	<u>(10,049,801)</u>	20,782,660

Capital assets contributed by developers to the City are not recorded in the governmental funds as they do not provide current financial resources but are recognized in the Statement of Activities as program revenues. 17,238,448

Governmental funds report the loss on sale of equipment as proceeds while the Statement of Activities is shown as a loss on the sale of equipment. (209,215)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Amortization of bond issuance costs	(29,683)	
Amortization of deferred charges	(19,158)	
Amortization of bond discount	(14,187)	
Arbitrage costs	86,472	
Compensated absences	<u>(191,353)</u>	(167,909)

Revenue that are deferred in the governmental funds because they do not provide current financial resources are included in the Statement of Activities.

Property taxes	138,354	
Amortization of bond premium	<u>123,621</u>	261,975

Repayment of long-term debt principal are expenditures in the governmental funds, but the payment reduces long-term liabilities in the Statement of Net Assets.

General obligation bonds retirement	3,200,000	
Revenue bonds retirement	825,000	
Notes payable retirement	<u>439,510</u>	4,464,510

The issuance of long-term debt provides and uses current financial resources in the governmental funds, but the issuance increases long-term liabilities and the related deferred items in the Statement of Net Assets.

Issuance of notes	<u>(337,259)</u>	(337,259)
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Change in Net Assets in Governmental Activities **\$ 26,435,474**

CITY OF RIO RANCHO, NEW MEXICO
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED JUNE 30, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property taxes	\$ 10,812,125	\$ 11,012,125	\$ 11,339,584	\$ 327,459
Municipal and state shared taxes	25,376,298	23,644,769	22,840,790	(803,979)
License and permits	1,727,640	312,275	335,490	23,215
Intergovernmental federal	695,520	566,515	281,770	(284,745)
Intergovernmental county	1,000	951	951	
Charges for services	4,663,273	4,335,845	4,902,681	566,836
Fines and forfeits	1,283,743	1,299,113	1,190,322	(108,791)
Franchise fees	2,763,001	2,858,197	2,858,897	700
Investment income	60,000	4,093	6,325	2,232
Other revenues	2,553,582	2,892,820	2,632,700	(260,120)
Total revenues	<u>49,936,182</u>	<u>46,926,703</u>	<u>46,389,510</u>	<u>(537,193)</u>
Expenditures:				
Current -				
General government	6,786,100	8,180,828	7,719,429	461,399
Public safety	24,766,542	24,750,215	24,912,593	(162,378)
Public works	7,184,240	6,709,556	6,557,447	152,109
Culture and recreation	9,111,138	8,314,335	7,417,108	897,227
Economic development	2,470,142	2,211,058	2,021,855	189,203
Capital outlay	86,500	214,533	239,452	(24,919)
Total expenditures	<u>50,404,662</u>	<u>50,380,525</u>	<u>48,867,884</u>	<u>1,512,641</u>
Excess (deficiency) of revenues over expenditures	<u>(468,480)</u>	<u>(3,453,822)</u>	<u>(2,478,374)</u>	<u>975,448</u>
Other financing sources (uses):				
Sale of land proceeds			202,690	202,690
Transfers in	1,428,170	3,945,797	3,910,516	(35,281)
Transfers out	(369,889)	(405,308)	(394,723)	10,585
Total other financing sources (uses)	<u>1,058,281</u>	<u>3,540,489</u>	<u>3,718,483</u>	<u>177,994</u>
Change in fund balances	<u>589,801</u>	<u>86,667</u>	<u>1,240,109</u>	<u>1,153,442</u>
Fund balances, July 1, 2009	3,610,588	4,148,187	9,685,691	5,537,504
Fund balances, June 30, 2010	<u>\$ 4,200,389</u>	<u>\$ 4,234,854</u>	<u>\$ 10,925,800</u>	<u>\$ 6,690,946</u>

The notes to the financial statements are an integral part of this statement.

CITY OF RIO RANCHO, NEW MEXICO
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - DPS GRANTS FUND
YEAR ENDED JUNE 30, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental federal	\$ 607,766	\$ 1,292,894	\$ 723,777	\$ (569,117)
Intergovernmental state	190,802	10,201,556	8,349,120	(1,852,436)
Total revenues	<u>798,568</u>	<u>11,494,450</u>	<u>9,072,897</u>	<u>(2,421,553)</u>
Expenditures:				
Current -				
Public safety	798,575	11,151,127	8,975,962	2,175,165
Capital outlay		79,583	43,108	36,475
Total expenditures	<u>798,575</u>	<u>11,230,710</u>	<u>9,019,070</u>	<u>2,211,640</u>
Excess (deficiency) of revenues over expenditures	<u>(7)</u>	<u>263,740</u>	<u>53,827</u>	<u>(209,913)</u>
Other financing sources (uses):				
Transfers in		3,611	3,611	
Transfers out		(1,965)	(1,967)	(2)
Total other financing sources (uses)		<u>1,646</u>	<u>1,644</u>	<u>(2)</u>
Change in fund balances	<u>(7)</u>	<u>265,386</u>	<u>55,471</u>	<u>(209,915)</u>
Fund balances (deficits), July 1, 2009	7		(1,248)	(1,248)
Fund balances, June 30, 2010	<u>\$</u>	<u>\$ 265,386</u>	<u>\$ 54,223</u>	<u>\$ (211,163)</u>

The notes to the financial statements are an integral part of this statement.

CITY OF RIO RANCHO, NEW MEXICO
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2010

	Enterprise Funds		
		Multi-Purpose Event Center Fund	Total
	Utilities Fund		
ASSETS			
Current assets:			
Cash and investments	\$ 14,778,946	\$ 15,972	\$ 14,794,918
Accounts receivable	5,674,174	101,405	5,775,579
Due from federal government	5,349,510		5,349,510
Due from state government	207,091	456,116	663,207
Due from county government	354,622		354,622
Total current assets	26,364,343	573,493	26,937,836
Noncurrent assets:			
Restricted investments	6,233,551	2,877,972	9,111,523
Deferred bond issuance costs	1,709,464	430,383	2,139,847
Deferred bond discount	453,312	236,296	689,608
Goodwill (net of amortization)	4,464,904		4,464,904
Land	21,723,603	332,500	22,056,103
Land improvements	3,859,389		3,859,389
Infrastructure	111,283,477		111,283,477
Buildings and improvements	41,703,231	40,829,989	82,533,220
Vehicles, furniture and equipment	28,199,244	995,566	29,194,810
Construction in progress	68,982,505		68,982,505
Accumulated depreciation	(37,619,687)	(1,915,805)	(39,535,492)
Total noncurrent assets	250,992,993	43,786,901	294,779,894
Total assets	277,357,336	44,360,394	321,717,730
LIABILITIES			
Current liabilities:			
Accounts payable	1,206,360	292	1,206,652
Accrued payroll	49,369		49,369
Accrued interest payable	582,602	127,639	710,241
Compensated absences payable	71,552		71,552
Arbitrage payable	128,511		128,511
Note payable	483,405		483,405
Revenue bonds payable	5,350,000	1,270,000	6,620,000
Deposits held for others	1,055,988		1,055,988
Total current liabilities	8,927,787	1,397,931	10,325,718
Noncurrent liabilities:			
Note payable	8,405,109		8,405,109
Revenue bonds payable	114,225,000	30,980,000	145,205,000
Deferred bond premium	5,073,395		5,073,395
Total non-current liabilities	127,703,504	30,980,000	158,683,504
Total liabilities	136,631,291	32,377,931	169,009,222
NET ASSETS			
Invested in capital assets, net of related debt	113,708,358	8,658,929	122,367,287
Restricted for:			
Debt service	6,233,551	2,877,972	9,111,523
Unrestricted	20,784,136	445,562	21,229,698
Total net assets	\$ 140,726,045	\$ 11,982,463	\$ 152,708,508

The notes to the financial statements are an integral part of this statement.

CITY OF RIO RANCHO, NEW MEXICO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	Enterprise Funds		
	Utilities Fund	Multi-Purpose Event Center Fund	Total
Operating revenues:			
Charges for services - water	\$ 18,756,541	\$	\$ 18,756,541
Charges for services - wastewater	13,141,837		13,141,837
Charges for services - event center		581,776	581,776
Total operating revenues	<u>31,898,378</u>	<u>581,776</u>	<u>32,480,154</u>
Operating expenses:			
Administration	3,150,936	98,044	3,248,980
Production costs	13,518,426		13,518,426
Depreciation	4,476,731	867,982	5,344,713
Total operating expenses	<u>21,146,093</u>	<u>966,026</u>	<u>22,112,119</u>
Operating income (loss)	<u>10,752,285</u>	<u>(384,250)</u>	<u>10,368,035</u>
Nonoperating revenues (expenses):			
Interest expense	(6,012,630)	(1,655,427)	(7,668,057)
Intergovernmental federal	456,354		456,354
Intergovernmental state	503,722	2,530,470	3,034,192
Intergovernmental county	907,751		907,751
Amortization of deferred bond items	242,449	(39,217)	203,232
Impact fees	1,049,498		1,049,498
Amortization of goodwill	(178,895)		(178,895)
Investment income	70,687	5,207	75,894
Other revenues	840,208		840,208
Other expenses	(208,076)		(208,076)
Total nonoperating revenues (expenses)	<u>(2,328,932)</u>	<u>841,033</u>	<u>(1,487,899)</u>
Income before capital contributions and transfers	<u>8,423,353</u>	<u>456,783</u>	<u>8,880,136</u>
Capital contributions	<u>5,009,533</u>	<u>39,987</u>	<u>5,049,520</u>
Changes in net assets	<u>13,432,886</u>	<u>496,770</u>	<u>13,929,656</u>
Total net assets, beginning of year	127,293,159	11,485,693	138,778,852
Total net assets, end of year	<u>\$ 140,726,045</u>	<u>\$ 11,982,463</u>	<u>\$ 152,708,508</u>

The notes to the financial statements are an integral part of this statement.

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CITY OF RIO RANCHO, NEW MEXICO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2010

	Enterprise Funds		
	Utilities Fund	Multi-Purpose Event Center Fund	Total
<u>Increase (Decrease) In Cash and Cash Equivalents</u>			
Cash flows from operating activities:			
Cash received from customers	\$ 29,517,754	\$ 480,371	\$ 29,998,125
Cash payments to employees	(1,819,495)		(1,819,495)
Cash payments to suppliers for goods and services	(16,800,795)	(99,421)	(16,900,216)
Net cash provided by (used for) operating activities	10,897,464	380,950	11,278,414
Cash flows from noncapital financing activities:			
Intergovernmental revenues	2,847,599	2,474,354	5,321,953
Net cash provided by (used for) noncapital and related financing activities	2,847,599	2,474,354	5,321,953
Cash flows from capital and related financing activities:			
Net acquisition of capital assets	(22,939,707)		(22,939,707)
Payment of principal on long-term debt	(4,858,331)	(1,215,000)	(6,073,331)
Interest paid on bonds	(6,024,264)	(1,659,651)	(7,683,915)
Development impact fees	1,049,498		1,049,498
Net cash provided by (used for) capital and related financing activities	(32,772,804)	(2,874,651)	(35,647,455)
Cash flows from investing activities:			
Investment income	70,687	5,207	75,894
Net cash provided by (used for) investing activities	70,687	5,207	75,894
Net increase (decrease) in cash and cash equivalents	(18,957,054)	(14,140)	(18,971,194)
Cash and cash equivalents, beginning of year	33,736,000	30,112	33,766,112
Cash and cash equivalents, end of year	\$ 14,778,946	\$ 15,972	\$ 14,794,918
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities</u>			
Operating income/(loss)	\$ 10,752,285	\$ (384,250)	10,368,035
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:			
Depreciation	4,476,731	867,982	5,344,713
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	(2,134,660)	(101,405)	(2,236,065)
Increase (decrease) in accounts payable	(1,894,359)	(1,377)	(1,895,736)
Increase (decrease) in accrued liabilities	(49,369)		(49,369)
Increase (decrease) in compensated absences payable	(7,200)		(7,200)
Increase (decrease) in deposits held for others	(265,650)		(265,650)
Increase (decrease) in deferred revenue	19,686		19,686
Total adjustments	145,179	765,200	910,379
Net cash provided by (used for) operating activities	\$ 10,897,464	\$ 380,950	\$ 11,278,414
Non-cash investing capital and financing activities:			
Capital assets acquired through contributions from developers	\$ 5,009,533	\$ 39,987	\$ 5,049,520

CITY OF RIO RANCHO, NEW MEXICO
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2010

	<u>Agency</u>
<u>ASSETS</u>	
Cash and investments	\$ 1,445,531
Total assets	<u><u>\$ 1,445,531</u></u>
<u>LIABILITIES</u>	
Deposits held for others	1,445,531
Total liabilities	<u><u>\$ 1,445,531</u></u>

The notes to the financial statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

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CITY OF RIO RANCHO, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Rio Rancho (City) was incorporated in 1981 and the voters approved a home rule amendment to the charter in 1992. The City operates under a manager-council form of government with six council members.

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The City's significant accounting policies are described below.

A. Reporting Entity

The City's major operations include police and fire protection, library, parks and recreation, certain community and social services and general administrative services. In addition, the City owns and operates two enterprise funds, which includes a Utilities Fund for water and wastewater operations and the Multi-purpose Event Center.

The financial reporting entity consists of a primary government and its component units. The City is a primary government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. Furthermore, there are no component units combined with the City for financial statement presentation purposes, and the City is not included in any other governmental reporting entity. Consequently, the City's financial statements include only the financial activity of those organizational entities for which its elected governing body is financially accountable.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) present financial information about the City as a whole. The reported information includes all of the nonfiduciary activities of the City and its component units. For the most part, the effect of internal activity has been removed from these statements. These statements distinguish between governmental and business-type activities of the City. Governmental activities normally are supported by taxes and intergovernmental revenues, and are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes,

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

investment income and other items not included among program revenues, but are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and the major individual enterprise fund are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-wide Financial Statements - The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. In addition, the fiduciary fund financial statements are reported on the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met. As a general rule the effect of internal activity has been eliminated from the government-wide financial statements, however the effect of interfund services provided and used between functions are reported as expenses and program revenues at amounts approximating their exchange value. The City does not allocate indirect expense to functions in the statement of activities.

Fund Financial Statements - Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. In addition, derived tax revenues, such as gross receipts and gasoline taxes, are recognized as revenues when the underlying exchange transaction has occurred. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, gross receipts taxes, state shared taxes, franchise fees, charges for services, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Miscellaneous revenue is not susceptible to accrual because generally they are not measurable until received. Grants and similar awards are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met. Deferred revenue also arise when resources are received by the City before it has legal claim to them, as when grant monies are received prior to meeting all eligibility requirements imposed by the provider.

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Property taxes recognized are net of estimated refunds and uncollectible amounts. Delinquent property taxes have been recorded as deferred revenue. Receivables that will not be collected within the available period have also been reported as deferred revenue on the governmental fund financial statements.

The City reports the following major governmental funds.

General Fund – This fund accounts for all financial resources of the City, except those required to be accounted for in other funds.

DPS Grants Fund – This special revenue fund accounts for various state and federal grants.

ARRA Stimulus Road Fund – This capital projects fund is used to account for the American Recovery and Reinvestment Act (ARRA) revenues to construct Paseo del Volcan.

Bond Construction Fund 2009 Roads – This capital projects fund is used to account for the construction of various roads throughout the City.

The City reports the following major proprietary funds.

Utilities Fund – This enterprise fund is used to account for all operations of the water and wastewater systems.

Multi-Purpose Event Center Fund – This enterprise fund is used to account for all construction and operations of the multi-purpose event center.

Additionally, the City reports the following fund type:

Fiduciary Fund – The Fiduciary Fund consists of agency funds which account for assets held by the City on behalf of others and includes the Special Assessment Operations, District V, VI, and VII Bonds Fund, the Municipal Court Fund, the Motor Vehicle Division Fund, the Gross Receipts Incentive Program (GRIP), Rio Metro Fund, and the Rio Rancho Economic Development Fund. These funds account for monies temporarily held by the City as an agent.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

The principal operating revenues of the City's enterprise funds are charges to customers for water and wastewater services and the event center. Operating expenses for this fund include production costs, administrative expenses and depreciation. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

D. Investments

New Mexico Statutes Annotated (NMSA) authorizes the City to invest public monies in the State Treasurer's Local Government Investment Pool, interest-bearing savings accounts, certificates of deposit, and repurchase agreements in eligible depositories; bonds or other obligations of the U.S. government that are guaranteed as to principal and interest by the U.S. government; and bonds of the State of New Mexico, counties, cities, towns, school districts, and special districts as specified by statute.

The State of New Mexico local government investment pool is a pool that is not registered with the United States Securities Exchange Commission. Section 6-10-101, NMSA 1978, empowers the State Treasurer, with the advise and consent of the State Board of Finance, to invest money held in the short-term investment in securities that are issued by the United States government or by its departments or agencies and are either direct obligations of the United States or are backed by the full faith and credit of the United States government or are agencies sponsored by the United States government. The Local Government Investment Pool investments are monitored by the same investment committee and the same policies and procedures that apply to all other state investments. The pool does not have unit shares. Per section 6-10-10.1F, NMSA 1978, at the end of each month all interest earned is distributed by the State Treasurer to the contributing entities in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the fund amounts were invested. Participation in the local government investment pool is voluntary. The investment in the State of New Mexico local government investment pool approximates the value of the participant's pool share.

A significant portion of the cash and investments of funds of the City is pooled for investment purposes. The balance reported for each participating fund as "Cash and Investments" represents the equity of that fund in the pooled cash and investments. Interest earnings on pooled investments are allocated to the participating funds based on average daily balances.

Nonparticipating interest-earning investment contracts are stated at cost. Money market investments and participating interest investment contracts with a remaining maturity of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

value.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

E. Investment Income

Investment income is composed of interest and net changes in the fair value of applicable investments.

F. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

All trade receivables are shown net of allowance for uncollectibles. Trade accounts receivable in excess of 180 days comprise the trade accounts receivable allowance for uncollectibles.

Property taxes attach as a lien on property as of January 1. Taxes are levied each year on July 1 on the taxable valuation of property located within the City as of the preceding January 1. The taxable valuation for the various classes of property are determined by the Sandoval County Assessor and the State of New Mexico Department of Finance and Administration (DFA), Local Government Division at one-third of assessed valuation. Property in the City for the fiscal year 2010 tax levy had a taxable value of \$2,170,607,782. The rate of taxes for operating purposes for all taxing jurisdictions is limited by the State Constitution to 20 mils (\$20 per \$1,000 assessed valuation), of which the City's portion, by state regulation, is limited to 5.151 mils. The 2010 weighted average residential and non-residential City rate for both operations and debt service was 6.840 mils. Property taxes are payable in two equal installments due on November 10th of the current year and April 10th of the following year and become delinquent after 30 days.

G. Capital Assets

Capital assets, which include land and improvements, buildings and improvements, vehicles, furniture, equipment, construction in progress, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The City defines capital assets as assets with an initial, individual cost of \$5,000 or more and an estimated useful life of more than two years. Such assets are recorded at historical cost or estimated historical cost if actual historical cost is not available. Software is capitalized when acquired while library books are not capitalized because the aggregated cost of books is considered immaterial. Donated capital assets are recorded at estimated fair market value at the date of donation.

General government infrastructure assets acquired prior to July 1, 2002 consist of the road network assets that were acquired or that received substantial improvements subsequent to July 1, 1981. These infrastructure assets are reported at estimated historical cost using deflated replacement cost. The costs of normal maintenance and repairs that do not add to the value of the

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

asset or materially extend assets' lives are not capitalized.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Certain capital assets of the City are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	50
Building improvements	20
Improvements other than buildings	20
Public domain infrastructure	15-65
System infrastructure	30
Vehicles	8
Furniture and equipment	5

H. Compensated Absences

The City's employee vacation and sick leave policies generally provide for granting vacation and sick leave with pay. Vacation benefits vest immediately at the employee's current rate of pay. Sick leave benefits may be converted to vacation leave at specified rates upon retirement after 10 or more years of service; however, the sick leave benefits do not vest. The current and long-term liabilities for accumulated vacation leave are reported on the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee leave, resignations and retirements. Resources from the General Fund are used to pay for compensated absences.

I. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities on the statement of net assets. Bond premiums and discounts, as well as issuance costs, and the difference between the reacquisition price and the net carrying amount of the old debt, are deferred and amortized over the life of the bonds using the straight line method over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

J. Net Assets Restriction and Fund Balance Reservations

In the government-wide financial statements only restrictions imposed by external sources or enabling legislation are identified as restricted net assets.

In the fund financial statements, governmental funds report reservations or designations of fund balance for amounts that are not available for expenditures or identified for use of a specific purpose by the City. At June 30, 2010, the City had no reservations of fund balance in the governmental funds.

K. Interfund Activity

Flows of cash from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers between governmental funds are eliminated in the Statement of Activities. Interfund transfers in the fund statements are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds.

L. Budgets

The General, Special Revenue, Debt Service, Capital Projects, and Proprietary Fund budgets are subject to approval by the New Mexico Department of Finance and Administration (DFA), Local Government Division.

During the month of May, public hearings are conducted to obtain taxpayer comments. Prior to June 1, the City submits to the DFA a proposed operating budget for the fiscal year commencing the following July 1. The budget is prepared by fund and function and includes proposed expenditures, which include carryover encumbrances and accounts payable, and the means of financing them. Prior to July 1, DFA grants interim approval for the City to operate on the proposed budget subject to adjustments and/or revisions prior to final subsequent approval before the first Monday in September. Such approval is contingent upon the City Council adopting the proposed budget in accordance with applicable state statutes, and sufficient funds being available for anticipated fiscal year expenditures. Prior to July 31, the City Council adopts by resolution a formal budget and such budget is presented to DFA for final approval.

Section 6-6-6, NMSA, 1978 Compilation prohibits municipalities from making expenditures in excess of the approved budget. For these purposes the budget referred to is the fund's total budget.

The adopted budget of the City is prepared on a basis consistent with accounting principles generally accepted in the United States of America.

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concl'd)

M. Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

N. Statement of Cash Flows

For purposes of the Statement of Cash Flows, the City considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents at June 30, 2010 were cash in bank, investments held by the State Treasurer, and investments held by City.

NOTE 2 – CASH AND INVESTMENTS

At June 30, 2010, the carrying amount of the City's deposits was \$52,295,710 and the bank was \$50,648,772. The difference represents outstanding checks, deposits, and other reconciling items. In addition, the City has \$6,014 of cash on hand at June 30, 2010.

Custodial credit risk – deposits. The risk that in the event of a bank failure, the City's deposits may not be returned. The City does not have a specific deposit policy for custodial credit risk; however, under New Mexico law, all deposits with financial institutions must be collateralized in an amount not less than 50% of the uninsured balance. The City's agreement with its sole depository requires pledged collateral of 102% of the public money in each account. No security is required for the deposit of public money that is insured by the Federal Deposit Insurance Corporation (FDIC). As of June 30, 2010, \$50,648,772 of the City's bank balance was exposed to custodial credit risk as uninsured and collateralized with securities held by the pledging financial institution's trust department.

The pledged collateral by bank at June 30, 2010, consists of the following.

Total amount on deposit	\$50,648,772
Less FDIC coverage	<u>(250,000)</u>
Total uninsured public funds	50,398,772
50% collateral requirement	25,199,386
Pledged securities, fair value	<u>53,745,412</u>
Pledged in excess of requirement	<u><u>\$28,546,026</u></u>

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 2 - DEPOSITS AND INVESTMENTS (Cont'd)

As of June 30, 2010, the City had the following investments and maturities.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>	
		<u>Less Than 1</u>	<u>1-5</u>
State Treasurer's Investment Pool	\$ 3,039,121	\$ 3,039,121	
Federal Home Loan Bank Coupon Bond	6,065,000		6,065,000
Total	<u>\$ 9,104,121</u>	<u>\$ 3,039,121</u>	<u>\$6,065,000</u>

Interest rate risk. In order to limit interest and market rate risk from changes in interest rates, the City's adopted Investment Policy sets a maximum maturity on any investment of three (3) years with the exception of bond or trust funds which should be matched to the planned expenditures of the funds.

As of June 30, 2010, the portfolio contained no holding with a stated maturity beyond one year. The securities in the portfolio were all Commercial Paper, Certificate of Deposit, and Money Market Funds. As of June 30, 2010, the weighted average maturity of the State Treasurer's local government investment pool was 46 days.

Credit quality risk. A primary stated objective of the City's adopted Investment Policy is the safety of principal and avoidance of principal loss. Risk is controlled by investment in the highest credit quality investments as defined by its adopted Policy and state law. The investments primary objective is to ensure that capital losses are avoided, whether from security defaults or erosion of market value.

Credit risk within the City's portfolio among the authorized investments approved by the City's adopted Investment Policy includes only:

- repurchase agreements with depository institutions,
- time and demand deposits of New Mexico banks,
- savings and loan association deposits,
- investment grade obligations of state and local governments,
- commercial paper,
- money market mutual funds, and
- State Treasurer's local government investment pool.

All other investments are rated AAA, or equivalent, by at least one nationally recognized rating agency. Investments are made primarily in obligations of the U.S. Government, its agencies or instrumentalities. The City's adopted Investment Policy restricts investment in banker's acceptances and mortgage-backed derivative securities.

The City's Policy and state law restrict certificates of deposit to those which are fully collateralized or insured and issued by eligible depositories in New Mexico. Such CDs are further collateralized to 100% with pledged U.S. obligations securities held by an independent custodian.

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 2 - DEPOSITS AND INVESTMENTS (Concl'd)

State and municipal obligations from entities within the United States must have a taxable valuation of real property for the preceding year of at least \$1 million and that has not defaulted in bond obligations within the preceding five years.

Money market mutual funds must be registered under the 1940 Act and must have assets of at least \$100 million. The City's Policy does not require that SEC registered money market mutual funds be rated as to investment quality.

The *New MexiGROW* Local Government Investment Pool (LGIP), a government investment pool is rated AAAM by Standard & Poor's and is authorized by the New Mexico State statute.

Concentration of credit risk. The City's adopted Investment Policy stresses diversification on all investments. With the exception of U.S. Treasuries, the City's Policy allows no more than 50% of the total portfolio to be invested in any single investment type, any single financial institution, or single maturity. As of June 30, 2010, the City's portfolio primarily was in State Treasurer's local government investment pool.

Custodial credit risk – securities. To control custody risk State law and the City's adopted Investment Policy requires all securities and all collateral for time and demand deposits as well as repurchase agreement collateral be transferred delivery versus payment and held by an independent party approved by the City. All securities and collateral are held in the City's name. The custodian is required to provide original safekeeping receipts. Repurchase agreements and deposits must be collateralized to 102% and 100% respectively.

The City's investment in the New Mexico State Treasurer's Investment Pool represents a proportionate interest in the Pool's portfolio. The City's portion is not identified with specific investments and is not subject to custodial risk; however, separately issued financial statements of the Office of the State Treasurer disclose the collateral pledged to secure the State Treasurer's cash and investments. The most recent report may be obtained by contacting the Office of the State Treasurer, P.O. Box 608, Santa Fe, NM 8754-0608.

NOTE 3 - RECEIVABLES

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental and Proprietary funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue reported in the governmental funds were as follows.

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 3 – RECEIVABLES (Concl'd)

	<u>Unavailable</u>	<u>Unearned</u>
Governmental Funds:		
Delinquent property taxes receivable (General Fund)	\$ 718,670	\$
Customer deposits (General Fund)		76,161
Confiscations (General Fund)		46,876
Federal and state revenues (Non-major Funds)		158,742
Delinquent property taxes receivable (Non-major Funds)	397,568	
Total deferred revenue for governmental funds	<u>\$ 1,116,238</u>	<u>\$ 281,779</u>

In addition, the accounts receivable balances for the General Fund and the Utilities Fund are net an allowance of approximately \$403,500 and \$317,000, respectively.

NOTE 4 – CAPITAL ASSETS

A summary of capital asset activity for the fiscal year ended June 30, 2010 follows.

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$56,385,414	\$2,646,344	\$ 202,953	\$58,828,805
Construction in progress	33,266,573	36,605,540	11,274,008	58,598,105
Total capital assets, not being depreciated	<u>89,651,987</u>	<u>39,251,884</u>	<u>11,476,961</u>	<u>117,426,910</u>
Capital assets, being depreciated:				
Infrastructure	209,817,934	7,812,560		217,630,494
Buildings and improvements	41,039,021	10,118,064		51,157,085
Land improvements	10,501,391	1,110,516		11,611,907
Vehicles, furniture and equipment	22,164,762	1,051,893	178,518	23,038,137
Total capital assets being depreciated	<u>283,523,108</u>	<u>20,093,033</u>	<u>178,518</u>	<u>303,437,623</u>
Less accumulated depreciation for:				
Infrastructure	(110,335,261)	(6,951,787)		(117,287,048)
Buildings and improvements	(3,800,856)	(944,292)		(4,745,148)
Land improvements	(2,827,546)	(433,605)		(3,261,151)
Vehicles, furniture and equipment	(13,153,552)	(1,720,117)	(172,255)	(14,701,414)
Total accumulated depreciation	<u>(130,117,215)</u>	<u>(10,049,801)</u>	<u>(172,255)</u>	<u>(139,994,761)</u>
Total capital assets, being depreciated, net	<u>153,405,893</u>	<u>10,043,232</u>	<u>6,263</u>	<u>163,442,862</u>
Governmental activities capital assets, net	<u>\$243,057,880</u>	<u>\$49,295,116</u>	<u>\$11,483,224</u>	<u>\$280,869,772</u>

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 4 – CAPITAL ASSETS (Cont'd)

Business-Type Activities	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets, not being depreciated:				
Land	\$15,328,186	\$ 6,727,917		\$22,056,103
Construction in progress	63,702,992	15,114,019	9,834,506	68,982,505
Total capital assets, not being depreciated	79,031,178	21,841,936	9,834,506	91,038,608
Capital assets, being depreciated:				
Building and Improvements	81,851,778	681,442		82,533,220
System infrastructure	96,678,304	14,605,173		111,283,477
Vehicles, furniture and equipment	28,546,045	677,303	(28,538)	29,194,810
Land Improvements	3,841,509	17,880		3,859,389
Total capital assets being depreciated	210,917,636	15,981,798	(28,538)	226,870,896
Less accumulated depreciation for:				
Building and Improvements	(8,008,148)	(1,649,505)		(9,657,653)
System infrastructure	(12,830,219)	(1,581,453)		(14,411,719)
Vehicles, furniture and equipment	(12,660,459)	(2,019,349)	28,538	(14,651,274)
Land Improvements	(720,490)	(94,356)		(814,846)
Total accumulated depreciation	(34,219,316)	(5,344,714)	28,538	(39,535,492)
Total capital assets, being depreciated, net	176,698,320	10,637,084	(0)	187,335,404
Business-type activities capital assets, net	\$255,729,498	\$ 32,479,020	\$ 9,834,506	\$278,374,012

Depreciation expense was charged to functions/programs as follows.

Governmental Activities:

General government	\$ 389,996
Public safety	1,194,340
Public works	7,322,414
Culture and recreation	1,115,884
Economic development	27,167
Total depreciation expense – governmental activities	<u>\$ 10,049,801</u>

Business-Type Activities:

Event center	\$ 867,982
Water	2,192,029
Wastewater	2,284,702
Total depreciation expense – business-type activities	<u>\$ 5,344,713</u>

Construction Commitments - As of June 30, 2010, the City was involved in several construction projects. The estimated cost to complete the construction projects is \$175,921,683.

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 5 – LONG-TERM LIABILITIES

A. General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the City. These bonds are generally issued as 10 to 15 year serial bonds with varying amounts of principal maturing each year. General Obligation bonds outstanding as reported in governmental activities at June 30, 2010 were as follows.

	Outstanding June 30, 2010
Governmental Activities General Obligation Bonds:	
\$5,000,000 General Obligation, Series 2002, due in annual installments of \$250,000 to \$600,000 through 08/01/2014; interest at 3.6 percent to 5.0 percent	\$ 1,225,000
\$5,500,000 General Obligation, Series 2004, due in annual installments of \$75,000 to 725,000 through 08/01/2016; interest at 3.15 percent to 4.0 percent	3,400,000
\$7,000,000 General Obligation, Series 2006, due in annual installments of \$300,000 to \$1,150,000 through 08/01/2018; interest at 4.0 percent to 5.0 percent	5,150,000
\$25,000,000 General Obligation, Series 2009, due in annual installments of \$1,500,000 to \$2,175,000 through 08/01/2021; interest at 2.5 percent to 4.0 percent	23,100,000
Total Governmental Activities General Obligation Bonds	<u>\$32,875,000</u>

B. Gross Receipts Tax Revenue Bonds

Gross receipts tax revenue bonds are issued specifically for the acquisition and construction of major capital facilities. These bonds are secured by a pledge of gross receipts tax revenue. Gross receipts tax revenue bonds outstanding as reported in governmental activities at June 30, 2010 were as follows.

	Outstanding June 30, 2010
Governmental Activities Revenue Bonds:	
\$4,465,000 Gross Receipts Tax Refunding Bonds, Series 2003, due in annual installments of \$300,000 to \$615,000, through 06/1/2012; interest at 2.75 percent to 4.132 percent	\$ 915,000
\$18,130,000 Gross Receipts Tax Bonds, Series 2005, due in annual installments of \$210,000 to \$1,625,000, through 06/01/2025; interest at 3.0 percent to 5.0 percent	16,905,000
Total Governmental Activities Revenue Bonds	<u>\$17,820,000</u>

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 5 – LONG-TERM LIABILITIES (Cont'd)

C. Water and Wastewater Revenue Bonds

Water and Wastewater revenue bonds are issued and authorized by the governing body to provide funds to acquire and construct certain improvements to the water and wastewater systems of the City and to pay the costs incurred in connection with the issuance of the bonds. These bonds are secured by a pledge of revenues of the systems, and do not constitute a general obligation of the City backed by the general taxing authority. Water and Wastewater system revenue bonds outstanding as reported in business-type activities at June 30, 2010 were as follows.

	<u>Outstanding June 30, 2010</u>
Business-Type Activities Revenue Bonds:	
\$4,395,000 Water & Wastewater System Bonds, Series 2004, due in annual installments of \$170,000 to \$310,000 through 05/15/2024; interest at 2.375 percent to 4.5 percent	\$ 3,385,000
\$21,225,000 Water & Wastewater System Bonds, Series 2005, due in annual installments of \$715,000 to \$1,580,000 through 05/15/2025; interest at 3.25 percent to 5.0 percent	17,355,000
\$32,930,000 Water & Wastewater System Bonds, Series 2007, due in annual installments of \$310,000 to \$3,235,000 through 05/15/2032; interest at 4.0 percent to 4.5 percent	31,965,000
\$13,240,000 Water & Wastewater System Bonds, Series 2008, due in annual installments of \$255,000 to \$830,000 through 05/15/2034; interest at 3.0 percent to 4.5 percent	12,670,000
\$57,990,000 Water & Wastewater System Refunding Bonds, Series 2009, due in annual installments of \$3,790,000 to \$5,710,000 through 05/15/2022; interest at 4.4 percent to 5.3 percent	<u>54,200,000</u>
Total Business-Type Activities Revenue Bonds	<u><u>\$119,575,000</u></u>

D. Event Center Revenue Bonds

The Event Center revenue bonds are issued to provide for acquiring land for, and designing, purchasing, constructing, remodeling, rehabilitation, renovation, improving, equipping and furnishing, a municipal event center. These bonds are secured by a pledge of revenues from rentals, receipts, fees or other charges imposed from the event center. Event center revenue bonds outstanding as reported in business-type activities at June 30, 2010 were as follows.

	<u>Outstanding June 30, 2010</u>
Business-Type Activities Revenue Bonds:	
\$35,750,000 Taxable Event Center Revenue Bonds, Series 2005, due in annual installments of \$1,120,000 to \$2,735,000 through 05/15/2027; interest at 4.20 percent to 5.15 percent	<u>\$32,250,000</u>
Total Business-Type Activities Revenue Bonds	<u><u>\$32,250,000</u></u>

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 5 – LONG-TERM LIABILITIES (Cont'd)

E. Note Payable

The City has entered into intercept agreements with the State of New Mexico Finance Authority (NMFA) for the purchase of capital equipment and facilities. Notes payable outstanding as reported in the governmental activities at June 30, 2010 were as follows.

	<u>Outstanding June 30, 2010</u>
Governmental Activities Revenue Bonds:	
\$1,371,188 Note Payable, Golf Course Road, due in annual installments of \$41,214 to \$99,075 through 05/01/2017; interest at 2.71 percent to 4.90 percent.	\$ 171,300
\$1,649,286 Note Payable, Fire Equipment, due in annual installments of \$35,000 to \$146,015 through 05/01/2022; interest at 3.32 percent to 3.91 percent	1,431,811
\$337,259 Note Payable, Fire Pumper & Equip, due in annual installments of \$29,113 to \$37,731 through 05/01/2020; interest at .98 percent to 3.22 percent	337,259
\$231,639 Note Payable, Street Sweeper, due in annual installments of \$68,137 to \$82,800 through 05/01/2011; interest at 2.32 percent to 2.90 percent	69,000
\$5,217,100 Note Payable, HP Project, due in annual installments of \$157,100 to \$400,000 through 06/01/2028; interest at 4.0 percent to 5.2 percent	4,885,000
\$4,669,000 Note Payable, HS Road Project, due in annual installments of \$205,000 to \$365,000 through 06/01/2028; interest at 1.6 percent to 5.3 percent	<u>4,669,000</u>
Total Notes Payable	<u>\$11,563,370</u>

F. Loan Payable

A loan was issued by the New Mexico Environment Department under the Clean Water State Revolving Loan Fund, which is also known as the Wastewater Facility Construction Loan Program. The loan proceeds were used for wastewater treatment system upgrades to increase capacity, biological nutrient removal and other approved wastewater treatment improvements. Loan payable outstanding as reported in the business-type activities at June 30, 2010 were as follows.

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 5 – LONG-TERM LIABILITIES (Cont'd)

	Outstanding June 30, 2010
Business-Type Activities Loan Payable:	
\$10,486,627 Note Payable, Wastewater Facility Construction, due in annual installments of \$426,456 to \$684,336 through 12/02/2023; interest at 3.0 percent.	\$ 7,496,218
\$70,000 Note Payable, Water Project Fund Loan, due in annual installments of \$3,417 to \$3,584 through 06/01/2029; no interest	66,583
\$315,713 Note Payable, Water Project Fund Loan, due in annual installments of \$12,987 to \$18,938 through 05/15/2031; interest at 2.0 percent	315,713
\$1,010,000 Note Payable, Water Project Fund Loan, due in annual installments of \$45,856 to \$55,428 through 05/15/2031; interest at 1.0 percent	1,010,000
Total Loans Payable	<u>\$ 8,888,514</u>

G. Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2010 was as follows.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
General obligation bonds	\$36,075,000		3,200,000	\$32,875,000	\$3,300,000
Revenue bonds	18,645,000		825,000	17,820,000	860,000
Notes payable	11,665,621	337,259	439,510	11,563,370	468,149
Compensated absences	4,598,036	3,382,263	3,190,911	4,789,388	4,789,388
Totals	<u>\$70,983,657</u>	<u>\$ 3,719,522</u>	<u>\$7,655,421</u>	<u>\$67,047,758</u>	<u>\$9,417,537</u>
Business-Type Activities:					
Revenue bonds	\$158,460,000		\$ 6,635,000	\$151,825,000	\$6,620,000
Loan payable	8,032,219	1,325,713	469,418	8,888,514	483,405
Compensated absences	64,352	94,501	87,301	71,552	71,552
Totals	<u>\$166,556,571</u>	<u>\$ 1,420,214</u>	<u>\$7,191,719</u>	<u>\$160,785,066</u>	<u>\$7,174,957</u>

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 5 – LONG-TERM LIABILITIES (Cont'd)

H. Special Assessment Bonds

Special Assessment Bonds are used to construct projects within special assessment districts created by the City after property owners within these districts agree to be assessed for the costs of debt service on these bonds. Payments made by the assessed property owners within the districts are pledged to pay the debt service on the bonds. In the event of default by a property owner, the lien created by the assessment is sold at public action and the proceeds are used to offset the defaulted assessment.

As trustee for improvement districts, the City is solely responsible for collection of assessments levied against the owners of property within the improvement districts and for disbursement of these amounts for retirement of the respective bonds issued to finance the improvements. The City is not obligated in any manner to pay the debt service payments on the Special Assessment Bonds with any general or other funds of the City. Special assessment bonds payable at June 30, 2010 were \$13,910,071.

I. Statutory Debt Limitation

The Constitution of the State of New Mexico limits the amount of general purpose government obligation bonds that may be issued by a municipality to four percent of the taxable valuation of property located within the City. At June 30, 2010, based on the most recent assessed taxable valuation of \$2,170,607,782 the City may issue an additional \$57,988,992 of general purpose general obligation bonds.

J. Bond Covenants

Pursuant to certain bond indenture agreements, the City is obligated to various limitations and restrictions on annual debt service requirements, maintenance and flow of monies through various restricted accounts, minimum amounts to be maintained in various sinking funds and minimum revenue bond coverage's. The City is in compliance with all such significant limitations and restrictions.

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 5 – LONG-TERM LIABILITIES (Cont'd)

K. Debt Service Requirements to Maturity

The following is a summary of debt service requirements to maturity, which includes interest, for all bonds and loans payable as of June 30, 2010.

	Governmental Activities						
Years ended June 30,	General Obligation Bonds		Revenue Bonds		Notes Payable		Total
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2011	3,300,000	1,124,000	860,000	837,393	468,149	529,348	7,118,890
2012	3,700,000	1,011,188	885,000	808,374	598,862	509,783	7,513,207
2013	2,650,000	909,113	920,000	775,074	540,508	488,271	6,282,966
2014	2,550,000	788,120	955,000	738,274	559,924	469,125	6,060,443
2015	2,925,000	693,081	1,005,000	690,524	579,651	448,264	6,341,520
2016-2020	13,925,000	1,920,338	5,810,000	2,665,509	3,280,319	1,848,222	29,449,388
2021-2025	3,825,000	149,500	7,385,000	1,092,969	3,376,957	1,053,003	16,882,429
2026-2028					2,159,000	220,207	2,379,207
Total	\$32,875,000	\$6,595,340	\$17,820,000	\$7,608,117	\$11,563,370	\$5,566,223	\$82,028,050

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 5 – LONG-TERM LIABILITIES (Cont'd)

Years ended June 30,	Business-Type Activities				Total
	Revenue Bonds		Notes Payable		
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2011	\$6,620,000	\$6,843,521	\$483,405	\$241,470	\$14,188,396
2012	6,835,000	6,627,954	556,657	227,062	14,246,673
2013	7,050,000	6,408,848	572,217	211,503	14,242,568
2014	7,345,000	6,121,880	588,235	195,488	14,250,603
2015	7,680,000	5,820,430	604,717	179,007	14,284,154
2016-2020	43,615,000	23,756,616	3,288,221	630,428	71,290,265
2021-2025	41,150,000	12,794,093	2,348,170	160,799	56,453,062
2026-2030	22,090,000	4,893,280	372,526	18,304	27,374,110
2031-2034	9,440,000	789,986	74,366	933	10,305,285
Total	<u>\$151,825,000</u>	<u>\$74,056,608</u>	<u>\$8,888,514</u>	<u>\$1,864,994</u>	<u>\$236,635,117</u>

L. Arbitrage on Tax Exempt Bonds

Prior to the Tax Reform Act (TRA) of 1986, State and Local governments had up to three years to use the proceeds from tax exempt bonds issued by them before arbitrage on such proceeds had to be paid to the Treasury Department. Arbitrage, as defined, is the excess interest earned by a State or Local government on proceeds from the sale of its bonds over interest paid to bond holders.

TRA 1986 required rebate of such arbitrage to the Treasury Department on governmental bonds issued after August 31, 1986, and on private activity bonds issued after December 31, 1984, when the proceeds were held for six months or longer. These rebates must be calculated annually and paid at the end of every fifth year until the bonds are retired.

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 5 – LONG-TERM LIABILITIES (Concl'd)

The Revenue Reconciliation Act of 1989 amended the six-month rule. For bonds issued after December 19, 1989, the rebate requirement does not apply if: 1) all of the gross proceeds of the issue, other than the reserve fund, are spent within the six month period. The term gross proceeds for the purposes of the rule include both the sale proceeds received from the bond purchase on the issue date and investment earnings on such proceeds during the six-month period. Gross proceeds deposited in a reserve fund or bona fide debt service fund, however, are not subject to the expenditure requirement.

The following is a schedule of bond issues, along with the bond year ends and arbitrage rebate due dates. The City has had the first arbitrage computation for the bonds, completed as indicated:

	First Computation Date	First Payment Due to IRS	First Computation of Arbitrage Completed
Water & Wastewater System Bonds, Series 2005	6/30/10	8/30/10	X
Gross Receipts Tax Bonds, Series 2005	6/30/10	8/30/10	X
General Obligations, Series 2006	6/30/10	7/31/11	X
General Obligations, Series 2009	6/30/10	7/27/14	X

NOTE 6 – OPERATING LEASES

The City has entered into noncancelable operating leases for computers and office equipment. The operating lease expenditures for the year ended June 30, 2010 were \$794,127. The minimum lease payments are as follows.

Year ending June 30:

2011	\$395,911
2012	337,905
2013	22,021
2014	19,463
2015	18,827
Total	<u>\$794,127</u>

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 7 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

At June 30, 2010, interfund balances were as follows.

Due to/from other funds:

At June 30, 2010, Governmental Funds had a \$564,190 interfund payable with the General Fund and an interfund payable in the amount of \$4,870,638 with the Bond Construction 2009 Roads Fund. These balances resulted from negative cash balances. All interfund balances are expected to be paid within one year.

Interfund transfers:

		Transfer In			
Transfer out		General Fund	DPS Grants Fund	Non-Major Governmental Fund	Total
	General Fund		\$ 3,611	\$ 391,112	\$ 394,723
	DPS Grants Fund			1,967	1,967
	Non-Major Governmental				
	Total	3,910,516		432,918	4,343,434
	Total	<u>\$ 3,910,516</u>	<u>\$ 3,611</u>	<u>\$ 825,997</u>	<u>\$4,740,124</u>

Interfund transfers were made by the City during the fiscal year to meet project-matching requirements to cover expenditures in the applicable funds. The circumstances that require budget transfers are many. In some cases, the responsibility for implementing a program is changed from one department to another. Management continually strives to make the organization more efficient, and budget transfers assist in achieving efficiency.

NOTE 8 - CONTINGENT LIABILITIES

Federal and State grants and loans - The City has received a number of grants and loans from both the Federal and State governments. Although the programs have been audited, not all audits have been approved as of June 30, 2010; however, the City expects no material disallowance of expenditures.

Lawsuits - The City is a defendant in a number of lawsuits as of June 30, 2010. It is the opinion of management and City counsel that the amount of losses resulting from these litigations at June 30, 2010, would not be material to the financial position of the City.

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 9 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Individual Deficit Fund Balances - At June 30, 2010, the following individual non-major funds reported deficits in fund balance.

	<u>Deficit</u>
Non-Major Funds:	
Community Response Program	\$ 938
Summer Lunch Program	39,286
DPS Enforcement Aid	367
Infrastructure	552,419
Keep Rio Rancho Beautiful	11
ARRA EECBG	5,518
ARRA Stimulus Road	1,134,070
Crime Victims Assistance	2,403
State Appropriation Capital Projects	82,963
Gross Receipts Tax Revenue Series 2003	2,307

The deficits arose because of operations during the year and prior years. Additional revenues received in fiscal year 2010-11 are expected to eliminate the deficits.

NOTE 10 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. In 1985, the City was unable to obtain general property, worker's compensation and liability insurance at a cost it considered to be economically justifiable. Therefore, the City joined the New Mexico Self-Insurers' Fund Risk Pool (Pool), together with other cities and towns in the State. The Pool is a public entity risk pool currently operating as a common risk management and insurance program for member cities and towns. The City paid an annual premium of \$1,140,652 to the Pool for its general insurance coverage during the fiscal year. The agreement provides that the Pool will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of the annual aggregate per policy for general liability, property, and workers' compensation claims.

The City carries commercial insurance for all other risks of loss including employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 11 - RETIREMENT PLAN

Plan Description. Substantially all of the City's full-time employees participate in a public employee retirement system authorized under the Public Employees Retirement Act (Chapter 10, Article 11, NMSA 1978). The Public Employees Retirement Association (PERA) is the administrator of the plan, which is a cost-sharing multiple-employer defined benefit retirement plan. The plan provides for retirement benefits, disability benefits, survivor benefits and cost-of-living adjustments to plan members and beneficiaries. PERA issues a separate, publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to PERA, P.O. Box 2123, Santa Fe, NM 87504-2123. The report is also available on PERA's website at www.pera.state.nm.us.

Funding Policy. Plan members are required to contribute 2.29% and 4.07% depending upon the plan municipal general and municipal public safety, respectively of their gross salary. The City is required to contribute between 6.86% and 21.25% of the gross covered salary. The contribution requirements of plan members and the City are established in State statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The City's contributions to PERA for the fiscal years ending June 30, 2010, 2009 and 2008 were \$5,834,625, \$6,004,854, and \$5,518,654, respectively, which equal the amount of the required contributions for each fiscal year.

NOTE 12 – POST-EMPLOYMENT BENEFITS

Plan Description – The City contributes to the New Mexico Retiree Health Care Fund, a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the New Mexico Retiree Health Care Authority (RHCA). The RHCA provides health care insurance and prescription drug benefits to retired employees of participating New Mexico government agencies, their spouses, dependents, and surviving spouses and dependents. The RHCA Board was established by the Retiree Health Care Act (Chapter 10, Article 7C, NMSA 1978). The Board is responsible for establishing and amending benefit provisions of the healthcare plan and is also authorized to designate optional and/or voluntary benefits like dental, vision, supplemental life insurance, and long-term care policies.

Eligible retirees are: 1) retirees who make contributions to the fund for at least five years prior to retirement and whose eligible employer during that period of time made contributions as a participant in the RHCA plan on the person's behalf unless that person retires before the employer's RHCA effective date, in which the event the time period required for employee and employer contributions shall become the period of time between the employer's effective date and the date of retirement; 2) retirees defined by the Act who retired prior to July 1, 1990; 3) former legislators who served at least two year; and 4) former governing authority members who served at least four years.

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 12 – POST-EMPLOYMENT BENEFITS (Cont'd)

The RHCA issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for the postemployment healthcare plan. That report and further information can be obtained by writing to the Retiree Health Care Authority at 4308 Carlisle NE, Suite 104, Albuquerque, NM 87107.

Funding Policy – The Retiree Health Care Act (Section 10-7C-13 NMSA 1978) authorizes the RHCA Board to establish the monthly premium contributions that retirees are required to pay for healthcare benefits. Each participating retiree pays a monthly premium according to a service based subsidy rate schedule for the medical plus basic life plan plus an additional participation fee of five dollars if the eligible participant retired prior to the employer's RHCA effective date or is a former legislator or former governing authority member. Former legislators and governing authority members are required to pay 100% of the insurance premium to cover their claims and the administrative expenses of the plan. The monthly premium rate schedule can be obtained from the RHCA or viewed on their website at www.nmrhca.state.nm.us.

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. The statute requires each participating employer to contribute 1.3% of each participating employee's annual salary; each participating employee is required to contribute .65% of their salary. In the fiscal years ending June 30, 2011 through June 30, 2013 the contribution rates for employees and employers will rise as follows:

For employees who are not members of an enhanced retirement plan the contribution rates will be:

<u>Fiscal Year</u>	<u>Employer Contribution Rate</u>	<u>Employee Contribution Rate</u>
FY11	1.666%	.833%
FY12	1.834%	.917%
FY13	2.000%	1.000%

For employees who are members of an enhanced retirement plan (state police and adult correctional officer coverage plan 1; municipal police member coverage plans 3, 4 and 5; municipal fire member coverage plan 3, 4 and 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act [10-12B-1 NMSA 1978]) the contribution rates will be:

<u>Fiscal Year</u>	<u>Employer Contribution Rate</u>	<u>Employee Contribution Rate</u>
FY11	2.084%	1.042%
FY12	2.292%	1.146%
FY13	2.500%	1.250%

Also, employers joining the program after 1/1/98 are also required to make a surplus-amount contribution to the RHCA based on one of two formulas at agreed-upon intervals.

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 12 – POST-EMPLOYMENT BENEFITS (Concl'd)

The RHCA plan is financed on a pay-as-you-go basis. The employer, employee and retiree contributions are required to be remitted to the RHCA on a monthly basis. The statutory requirements for the contributions can be changed by the New Mexico State Legislature.

The City's contributions to the RHCA for the years ended June 30, 2010, 2009 and 2008 were \$345,389, \$353,428 and \$325,739, respectively, which equal the required contributions for each year.

NOTE 13 – RESTATEMENTS

The restatements are disclosed in order to display the flow of financial activity that cannot be stated elsewhere.

Fund Balance – General Fund: In the prior year, revenue from intergovernmental federal sources was understated; balances were corrected in fiscal year 2010.

As a result of the restatement, the June 30, 2009 fund balance in the General Fund was increased by \$84,822.

Fund Balance – DPS Enforcement Aid Fund: In the prior year, revenue from intergovernmental federal sources was overstated; balances were corrected in fiscal year 2010.

As a result of the restatement, the June 30, 2009 fund balance in the DPS Enforcement Aid Fund was decreased by \$103,850.

Fund Balance – Domestic Violence Response Fund: In the prior year, revenue from intergovernmental federal sources was understated; balances were corrected in fiscal year 2010.

As a result of the restatement, the June 30, 2009 fund balance in the Crime Victims Assistance Fund was increased by \$35,248.

Fund Balance – HUD – CDBG Fund: In the prior year, revenue from intergovernmental federal sources was understated; balances were corrected in fiscal year 2010.

As a result of the restatement, the June 30, 2009 fund balance in the HUD – CDBG Fund was increased by \$88,484.

Fund Balance – Infrastructure Fund: In the prior year, revenue from intergovernmental federal sources was understated; balances were corrected in fiscal year 2010.

As a result of the restatement, the June 30, 2009 fund balance in the Infrastructure Fund was increased by \$14,108.

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 13 – RESTATEMENTS (Cont'd)

	General Fund	DPS Enforcement Aid Fund	Infrastructure Fund	Domestic Violence Response Fund	HUD - CDBG Fund
Fund balance, beginning of year, as previously stated	\$9,600,869	\$ 103,745	\$3,493,652	\$ (53,930)	\$ (89,215)
Restatement	84,822	(103,850)	14,108	35,248	88,484
	<u>\$9,685,691</u>	<u>\$ (105)</u>	<u>\$3,507,760</u>	<u>\$ (18,682)</u>	<u>\$ (731)</u>

Net Assets: Due to these restatements, net assets was understated by \$118,812.

	Governmental Activities
Net assets, beginning of year, as previously stated	\$ 232,040,661
Restatement	<u>118,812</u>
	<u>\$ 232,159,473</u>

NOTE 14 – NEW PRONOUNCEMENTS

Effective for fiscal years beginning after June 15, 2010, GASB 54 – *Fund Balance Reporting and Governmental Fund Type Definitions* – will provide modifications to, and additional types of, fund balance classifications. This statement will enhance the usefulness of fund balance information to provide more consistency among the classifications and will establish reporting standards for all governments that report governmental funds. Although early implementation is encouraged, the State of New Mexico has decided to implement this new pronouncement for fiscal year ending June 30, 2011. The impact on the Department's financial statements has not yet been determined.

NOTE 15 – SUBSEQUENT EVENTS

On July 16, 2010, the City entered into a loan agreement with the New Mexico Finance Authority for the purchase of 8 police vehicles in the amount of \$269,990.

On July 16, 2010, the City entered into a loan agreement with the New Mexico Finance Authority to irrevocably exercise its option to redeem on July 20, 2010 all of its outstanding Gross Receipts Tax Refunding and Improvement Revenue Bonds, Series 2003 which mature on and after June 1, 2011. The loan amount equals \$967,515 which will be utilized to refund the Series 2003 Gross Receipts Tax Refunding and Improvement Revenue Bonds and issuance costs.

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 15 – SUBSEQUENT EVENTS (Concl'd)

On August 12, 2010, the City entered into a loan agreement with the New Mexico Finance Authority for the purpose of sewer infrastructure improvement projects including, but not limited to, planning, designing, equipping and constructing sewer lines and related improvements within the Governmental Unit and paying related professional fees in the amount of \$3.9 million.

The City entered into a loan agreement with the New Mexico Environment Department in the amount of \$25.0 million. The purpose of the loan is for Wastewater Treatment System upgrades and other Wastewater Treatment System Improvements. This loan is on a reimbursable basis, therefore, the loan payable is not recognized in the current fiscal year.

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**COMBINING AND INDIVIDUAL FUND FINANCIAL
STATEMENTS AND SCHEDULES**

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CITY OF RIO RANCHO, NEW MEXICO
COMBINING BALANCE SHEET - ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
JUNE 30, 2010

	Special Revenue	Debt Service	Capital Projects	Total Non-Major Governmental Funds
<u>ASSETS</u>				
Cash and investments	\$ 9,330,313	\$ 4,477,512	\$ 6,586,745	\$ 20,394,570
Property taxes receivable		464,197		464,197
Accounts receivable	31,081			31,081
Due from federal government	54,360		868,136	922,496
Due from state government	610,601	209,184	893,989	1,713,774
Total assets	\$ 10,026,355	\$ 5,150,893	\$ 8,348,870	\$ 23,526,118
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ 248,039	\$	\$ 267,152	\$ 515,191
Accrued payroll	18,130			18,130
Accrued interest payable	11,252	561,359	1,306	573,917
Due to other funds	51,892		2,326,315	2,378,207
Deferred revenue	158,742	397,568		556,310
Total liabilities	488,055	958,927	2,594,773	4,041,755
Fund balances:				
Unreserved:				
Undesignated	9,538,300	4,191,966	5,754,097	19,484,363
Total fund balances	9,538,300	4,191,966	5,754,097	19,484,363
Total liabilities and fund balances	\$ 10,026,355	\$ 5,150,893	\$ 8,348,870	\$ 23,526,118

CITY OF RIO RANCHO, NEW MEXICO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
YEAR ENDED JUNE 30, 2010

	Special Revenue	Debt Service	Capital Projects	Total Non-Major Governmental Funds
Revenues:				
Property taxes	\$	\$ 4,491,453	\$	\$ 4,491,453
Municipal and state shared taxes	3,674,066	1,691,513		5,365,579
Intergovernmental federal	1,127,713		554,068	1,681,781
Intergovernmental state	830,504		1,674,114	2,504,618
Intergovernmental county			150,000	150,000
Impact fees			2,251,932	2,251,932
Charges for services	584,386			584,386
Fines and forfeits	79,005			79,005
Franchise fees	136,804			136,804
Contributions and donations	53,298		12,000	65,298
Investment income	23,069	2,973	15,422	41,464
Other revenues	642,959	47,650	73,749	764,358
Total revenues	<u>7,151,804</u>	<u>6,233,589</u>	<u>4,731,285</u>	<u>18,116,678</u>
Expenditures:				
Current -				
General government	605,252		39,876	645,128
Public safety	1,004,725			1,004,725
Public works	751,281		24,919	776,200
Culture and recreation	952,399		7,532	959,931
Economic development	630,746			630,746
Other expenses		3,000		3,000
Capital outlay	1,390,344		8,616,116	10,006,460
Debt service -				
Principal	173,902	4,200,000	90,608	4,464,510
Interest and fiscal charges	61,108	2,523,410	11,358	2,595,876
Total expenditures	<u>5,569,757</u>	<u>6,726,410</u>	<u>8,790,409</u>	<u>21,086,576</u>
Excess (deficiency) of revenues over expenditures	<u>1,582,047</u>	<u>(492,821)</u>	<u>(4,059,124)</u>	<u>(2,969,898)</u>
Other financing sources (uses):				
Loan proceeds	337,259			337,259
Transfers in	391,112	408,397	26,488	825,997
Transfers out	(15,460)		(4,327,974)	(4,343,434)
Total other financing sources (uses)	<u>712,911</u>	<u>408,397</u>	<u>(4,301,486)</u>	<u>(3,180,178)</u>
Change in fund balances	<u>2,294,958</u>	<u>(84,424)</u>	<u>(8,360,610)</u>	<u>(6,150,076)</u>
Fund balances, beginning of year	7,223,460	4,276,390	14,114,707	26,600,449
Restatement	19,882		14,108	33,990
Fund balances, beginning of year, as restated	7,243,342		14,114,707	25,634,439
Fund balances, end of year	<u>\$ 9,538,300</u>	<u>\$ 4,191,966</u>	<u>\$ 5,754,097</u>	<u>\$ 19,484,363</u>

NON-MAJOR GOVERNMENTAL FUNDS

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NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS:

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Donations Fund - To account for funds donated to the City of Rio Rancho. Expenditures from this fund will be used for the purposes specified by the donor. (Provided for by City Budget Resolution.)

Aquatics Swim Team Fund – To account for fees for the USS swim team to be facilitated at the indoor aquatic center. (Provided for by City Budget Resolution)

Recreation Activities and Vending Fund – To account for revenues received for recreation fees and vending machines placed in City facilities. Expenditures may be used for programs and activities, such as, classes and softball programs and various community projects. (Provided for by City Budget Resolution.)

Recreation Fund – To account for revenues collected from taxes on cigarettes sold within City boundaries pursuant to the Cigarette Tax Act, NMSA 7-12-1 and 7-12-15. Expenditures from this fund may be used for recreational facilities and salaries of employees necessary for the operation of such facilities.

Keep Rio Rancho Beautiful Grant Fund – To account for New Mexico Clean & Beautiful Litter Control & Beautification grant funds. Expenditures may be used for equipment, landscaping, program promotion, recycling, education, and anti-graffiti programs. (Pursuant to NMSA, Section 62-16-1 to 67-16-14.)

Community Response Program Fund – To account for Community Emergency Response Team federal grant funds. Expenditures from this fund may be used to find, train, equip and maintain citizen volunteer teams to respond to and support emergency operations. (Pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act, as amended 42 U.S.C. 5121 et seq.)

Workers Compensation Fund – To account for revenues from other funds for the purpose of self funding workers compensation insurance administered by the New Mexico Self Insurance Fund. (Provided for by City Budget Resolution)

Senior Services Fund – To account for funds donated to the City of Rio Rancho. Expenditures from this fund will be used for the purpose specified by the donor. (Provided for by City Budget Resolution.)

Library Fund – To account for grants, gifts, donations, devises or bequests made to the City, pursuant to NMSA 3-18-4, for the purpose of establishing, increasing or improving the library.

Promotion and Marketing Fund – To account for promotional activities. Expenditures from this fund may be used for special events; promoting convention, exposition or entertainment facilities; or advertising and marketing facilities. (Provided for by City Budget Resolution.)

NON-MAJOR GOVENMENTAL FUNDS

SPECIAL REVENUE FUNDS (Cont'd)

Rio Rancho Convention & Visitors Bureau Fund – To account for revenues collected from occupancy taxes (3%) levied within City boundaries pursuant to NMSA 3-38-15. Expenditures from this fund may be used for acquiring, constructing, improving, establishing, and operating convention, exposition or entertainment facilities; acquiring or obtaining an interest in such facilities; or advertising, publicizing, and promoting such facilities.

Rio Vision Cable Fund - To account for cable franchise fees (2%) received to operate and promote a public access television channel. (Provided for by City Budget Resolution.)

ARRA – DOJ Fund – To account for 2009 Recovery Act Justice Assistance Grant funds, from the American Recovery and Reinvestment Act (ARRA). These funds allotted to the City will be used to acquire necessary equipment for the newly-hired full-time law enforcement officers hired under the COPS Grant.

Local Government Corrections Fund – To account for revenues collected from the assessment for correction fees and court costs, pursuant to NMSA 35-14-11. Expenditures from this fund may be used for municipal jailer or juvenile detention officer training; for planning, construction, operating and maintaining a municipal jail for juveniles in a detention facility; or for complying with match or contribution requirements for the receipt of Federal funds relating to jailing or juvenile detention facilities.

Law Enforcement Fund – To account for State revenues received pursuant to the Law Enforcement Corrections Act, NMSA 29-13-3. Expenditures from this fund may be used for the repair and purchase of law enforcement apparatus and equipment, expenditures associated with advanced law enforcement planning and training, and complying with match or contribution requirements for receipt of Federal funds, and salaries for law enforcement personnel under certain conditions.

DPS Enforcement Aid Fund – To account for revenue generated from asset forfeitures obtained through narcotics investigations. These revenues can be utilized for officer overtime, police equipment, undercover vehicles, purchase of evidence, training and other narcotic investigation related expenses. (Pursuant to the Attorney General's Guidelines on Seized and Forfeited Property, July 1990.)

Traffic Education and Enforcement Aid Fund – To account for revenues received from the New Mexico Traffic Bureau for DWI checkpoint enforcement and safety belt enforcement. (Pursuant to NMSA 66-7-501 to 511)

NM Gang Task Force Fund – To account for revenue received from the U.S. Department of Justice, Justice Assistance Grant (JAG) and the American Recovery and Reinvestment Act (ARRA) to provide training for police agencies throughout the state. (Pursuant to the Omnibus Crime Control and Safe Streets Act of 1968 and the American Recovery and Reinvestment Act of 2009, Public Law 111-5, (the "Recovery Act"))

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS (Cont'd)

Fire Protection Fund – To account for State revenues received pursuant to the Fire Protection Fund Law, NMSA 59A-53-1. Expenditures from this fund may be used for the purchase, construction, operating, and maintenance of fire stations, except for the station's water supply system; fire apparatus and equipment; the payment of insurance premiums on the above; and for insurance premiums for injuries or death of firefighters.

Emergency Medical Services (EMS) Fund – To account for State revenues received to the Emergency Medical Services Fund Act, 59A-53-1. Expenditures from this fund may be used for the establishment of emergency medical services; to acquire emergency medical services vehicles, equipment and supplies; and for training and licensing of local emergency management services personnel.

Summer Lunch Program Fund – To account for the US Department of Agriculture's Summer Food Service Program (SFSP) administered through the Children Youth and Families Department of the State of New Mexico. The New Mexico SFSP is the single largest federal resource available for local organizations that want to combine a lunch program with a summer activity program for children. The SFSP provides free, nutritious meals and snacks to help children in low-income areas get the nutrition throughout the summer months when they are out of school. (Richard B. Russell National School Lunch Act, Section 9, 13, and 14, as amended, 42 U.S.C. 1758, 1761 and 1762a)

Recovery ARRA EECBG Fund – To account for the U.S. Department of Energy's Energy Efficiency and Conservation Block Grant (EECBG) under the 2009 American Recovery and Reinvestment Act (ARRA) to be used to develop and implement a City Energy & Sustainability Plan, develop a Comprehensive Bicycle/Pedestrian Transportation Master Plan, to purchase and install equipment for Server Virtualization, and Consolidation, to provide building inspection training, to do building lighting retrofits and to put a cool roof on the Santa Ana Star Center.

Environmental Gross Receipts Tax Fund – To account for municipal gross receipts tax revenues received to be used for the acquisition, construction, operation, and maintenance of solid waste facilities, water facilities, sewer systems, and related facilities. (Pursuant to NMSA, 1978 section 7-20E-17.)

Higher Education Gross Receipts Tax Fund – To account for municipal gross receipts tax revenues received to be used for the acquisition, construction, renovation or improvement of facilities of a four-year post-secondary public education institution located in the municipality and acquisition of or improvements to land for those facilities or payment of municipal higher education facilities gross receipts tax revenue bonds issued. (Pursuant to Chapter 3, Article 31 NMSA 1978)

Municipal Road Fund – To account for revenues received from the levy of a tax per gallon of gasoline purchased within City boundaries, pursuant to the County and Municipal Gasoline Tax Act, NMSA 7-1-6.9. Expenditures from this fund may be used for the construction of a street, ally, curb, gutter or sidewalk projects.

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS (Concl'd)

Recreation Development Fund – To account for revenues received for the construction of park facilities. This fund is also used to account for transfers from the General Fund, grants and donations for the development and construction of park facilities. (Provided for by City Budget Resolution.)

Computer/Software Replacement Fund – To account for funds transferred from the General Fund to provide a recurring source of funds for replacing computers and general use software. (Provided for by City Budget Resolution)

Equipment Replacement Fund – To account for funds transferred from the General Fund, recognizing the depreciation of assets and to provide a recurring source of funds for vehicles. (Provided for by City Budget Resolution.)

Domestic Violence Response Fund – To account for federal funds used to encourage arrest policies and enforcement of protection orders. (Pursuant to 42 U.S.C. 3796hh-4)

HUD – CDBG Fund – To account for CDBG grant funds received to prepare an action plan to address issues of low to moderate-income residents. (Title I, Housing & Comm. Dev. Act, PL 92-383.)

Crime Victims Assistance Fund – To account for Federal funds used towards the advocacy for victims of all crimes. (Pursuant to the Victims of Crime Act of 1984.)

HUD CDBG ARRA Fund – To account for CDBG grant funds received from the American Recovery and Reinvestment Act (ARRA).

DEBT SERVICE FUNDS:

General Obligation Bonds Fund – To account for the debt service of Library Series 2004, Aquatics Series 2006, and Roads Series 2009.

Gross Receipts Tax Revenue Bonds Series 2003 Fund – To account for the debt service of the New Mexico Gross Receipts Tax Revenue Bonds, Series 2003.

Gross Receipts Tax Revenue Bonds Series 2005 Fund – To account for the debt service of the New Mexico Gross Receipts Tax Revenue Bonds, Series 2005.

HPLoan Fund – To account for the debt service resulting from Gross Receipts Tax Revenue Loan, Series 2009.

HSLoan Fund – To account for the debt service resulting from Gross Receipts Tax Revenue Loan, Series 2009.

NON-MAJOR GOVERNMENTAL FUNDS

CAPITAL PROJECT FUNDS:

Capital Projects Fund – To account for City facility construction and building improvements from General Fund transfers and intergovernmental grants.

HP Infrastructure Fund – To account for Central Business District infrastructure improvement projects including water, wastewater and roads within the governmental unit.

HS Infrastructure Fund – To account for infrastructure for the completion of the extension of Paseo del Volcan and the completion of the infrastructure pertaining to the new Rio Rancho High School within the governmental unit.

Infrastructure Fund – To account for capital (primarily infrastructure) acquisition, construction and repair from General Fund transfers and intergovernmental grants.

Building Improvement Fund – To account for funds transferred from the General Fund. Expenditures are used for maintenance, repair or replacement of municipal buildings.

State Appropriation Fund – To account for state appropriation capital expenditures approved by the State of New Mexico.

Bond Construction 2004 – To account for proceeds received for construction of Loma Colorado site Library.

Bond Construction 2005 – To account for proceeds to be used for the construction of City Hall, City Maintenance Yard, and other City infrastructure needs.

Bond Construction 2006 – To account for proceeds received for construction of an Aquatic Center.

Road Impact Fees Fund – To account for impact fees under Sections 5-8-1 through 5-8-42 NMSA 1978 (The Development Fees Act) for the purpose of providing new or enlarged roads, equipment and capital improvements which substantially benefit those developments which pay the impact fees.

Trails Impact Fees Fund – To account for impact fees under Sections 5-8-1 through 5-8-42 NMSA 1978 (The Development Fees Act) for the purpose of providing new or enlarged bikeways, capital improvements, trails, and equipment which substantially benefit those developments which pay the impact fees.

Parks Impact Fees Fund – To account for impact fees under Sections 5-8-1 through 5-8-42 NMSA 1978 (The Development Fees Act) for the purpose of providing new or enlarged parks, equipment and capital improvements, which substantially benefit those developments which pay the impact fees.

NON-MAJOR GOVERNMENTAL FUNDS

CAPITAL PROJECT FUNDS (Concl'd)

Public Safety Impact Fees Fund – To account for impact fees under Sections 5-8-1 through 5-8-42 NMSA 1978 (The Development Fees Act) for the purpose of providing public safety, capital improvements and equipment.

Drainage Impact Fees Fund – To account for impact fees under Sections 5-8-1 through 5-8-42 NMSA 1978 (The Development Fees Act) for the purpose of providing a conveyance system adequate to accommodate the design storm from the farthest upstream property or City boundary to the receiving waters of the Rio Grande river.

Solid Waste Disposal – Indigent Fund – To account for contributions and donations to indigent individuals utilizing the City's solid waste program.

MAJOR CAPITAL PROJECT FUNDS:

ARRA Stimulus Roads – To account for revenues received from the American Recovery and Reinvestment Act (ARRA) of 2009, agreement with the New Mexico Department of Transportation (NMDOT) to construct Paseo del Volcan Phase II from Iris Rd to U.S. Highway 550.

Bond Construction 2009 – To account for proceeds received for construction various road projects.

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CITY OF RIO RANCHO, NEW MEXICO
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2010

	Donations Fund	Aquatics Swim Team Fund	Recreation Activities and Vending Fund	Recreation Fund
<u>ASSETS</u>				
Cash and investments	\$ 36,493	\$ 366	\$ 168,797	\$ 55,401
Accounts receivable				
Due from federal government				
Due from state government				1,835
Total assets	<u>\$ 36,493</u>	<u>\$ 366</u>	<u>\$ 168,797</u>	<u>\$ 57,236</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ 3,400	\$	\$ 14,415	\$
Accrued payroll			820	
Accrued interest payable				
Due to other funds				
Deferred revenue				
Total liabilities	<u>3,400</u>	<u></u>	<u>15,235</u>	<u></u>
Fund balances (deficits):				
Unreserved:				
Undesignated	<u>33,093</u>	<u>366</u>	<u>153,562</u>	<u>57,236</u>
Total fund balances	<u>33,093</u>	<u>366</u>	<u>153,562</u>	<u>57,236</u>
Total liabilities and fund balances	<u>\$ 36,493</u>	<u>\$ 366</u>	<u>\$ 168,797</u>	<u>\$ 57,236</u>

<u>Keep Rio Rancho Beautiful Grant</u>	<u>Community Response Program Fund</u>	<u>Workers Compensation Fund</u>	<u>Senior Services Fund</u>	<u>Library Fund</u>	<u>Promotion and Marketing Fund</u>
\$	\$	\$ 475,432	\$ 22,470	\$ 1,193,137	\$ 12,227
	2,682				
22,414			1,048		
<u>\$ 22,414</u>	<u>\$ 2,682</u>	<u>\$ 475,432</u>	<u>\$ 23,518</u>	<u>\$ 1,193,137</u>	<u>\$ 12,227</u>
\$	\$	\$	\$	\$	\$
1,800	642 296	73,397		19,772	6,798 1,568
20,625	2,682				
<u>22,425</u>	<u>3,620</u>	<u>73,397</u>		<u>19,772</u>	<u>8,366</u>
(11)	(938)	402,035	23,518	1,173,365	3,861
<u>(11)</u>	<u>(938)</u>	<u>402,035</u>	<u>23,518</u>	<u>1,173,365</u>	<u>3,861</u>
<u>\$ 22,414</u>	<u>\$ 2,682</u>	<u>\$ 475,432</u>	<u>\$ 23,518</u>	<u>\$ 1,193,137</u>	<u>\$ 12,227</u>

(Continued)

CITY OF RIO RANCHO, NEW MEXICO
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2010
(Continued)

	Rio Rancho Convention & Visitors Bureau	Rio Vision Cable Fund	ARRA DOJ Fund	Local Government Corrections
<u>ASSETS</u>				
Cash and investments	\$ 4,396	\$ 91,795	\$ 11	\$ 37,198
Accounts receivable		31,081		
Due from federal government				
Due from state government	4,723			
Total assets	<u>\$ 9,119</u>	<u>\$ 122,876</u>	<u>\$ 11</u>	<u>\$ 37,198</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ 36	\$ 11,665	\$	\$ 19,328
Accrued payroll	6,088			
Accrued interest payable				
Due to other funds				
Deferred revenue				
Total liabilities	<u>6,124</u>	<u>11,665</u>		<u>19,328</u>
Fund balances (deficits):				
Unreserved:				
Undesignated	2,995	111,211	11	17,870
Total fund balances	<u>2,995</u>	<u>111,211</u>	<u>11</u>	<u>17,870</u>
Total liabilities and fund balances	<u>\$ 9,119</u>	<u>\$ 122,876</u>	<u>\$ 11</u>	<u>\$ 37,198</u>

Law Enforcement Fund	DPS Enforcement Aid Fund	Traffic Education and Enforcement	NM Gang Task Force Grant Fund	Fire Protection Fund	Emergency Medical Services Fund
\$ 20,863	\$ 73,138	\$ 45,068	\$ 27,886	\$ 516,302	\$ 3,865
			16,992		
<u>\$ 20,863</u>	<u>\$ 73,138</u>	<u>\$ 45,068</u>	<u>\$ 44,878</u>	<u>\$ 516,302</u>	<u>\$ 3,865</u>
\$ 249	\$ 367	\$ 443	\$ 7,198 1,871	\$ 10,923	\$
<u>249</u>	<u>73,138 73,505</u>	<u>443</u>	<u>9,069</u>	<u>10,923</u>	
<u>20,614</u>	<u>(367)</u>	<u>44,625</u>	<u>35,809</u>	<u>505,379</u>	<u>3,865</u>
<u>20,614</u>	<u>(367)</u>	<u>44,625</u>	<u>35,809</u>	<u>505,379</u>	<u>3,865</u>
<u>\$ 20,863</u>	<u>\$ 73,138</u>	<u>\$ 45,068</u>	<u>\$ 44,878</u>	<u>\$ 516,302</u>	<u>\$ 3,865</u>

(Continued)

CITY OF RIO RANCHO, NEW MEXICO
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2010
(Continued)

	Summer Lunch Program Fund	ARRA EECBG Fund	Environmental Gross Receipts Tax Fund	Higher Education Gross Receipts
<u>ASSETS</u>				
Cash and investments	\$ 59,069	\$ 26,535	\$ 1,798,312	\$ 3,826,503
Accounts receivable				
Due from federal government				
Due from state government			134,706	384,375
Total assets	\$ 59,069	\$ 26,535	\$ 1,933,018	\$ 4,210,878
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ 37,063	\$ 5,518	\$ 34,674	\$
Accrued payroll	2,223			
Accrued interest payable				
Due to other funds				
Deferred revenue	59,069	26,535		
Total liabilities	98,355	32,053	34,674	
Fund balances (deficits):				
Unreserved:				
Undesignated	(39,286)	(5,518)	1,898,344	4,210,878
Total fund balances	(39,286)	(5,518)	1,898,344	4,210,878
Total liabilities and fund balances	\$ 59,069	\$ 26,535	\$ 1,933,018	\$ 4,210,878

<u>Municipal Road Fund</u>	<u>Recreation Development Fund</u>	<u>Computer/Soft ware Replacement Fund</u>	<u>Equipment Replacement Fund</u>	<u>Domestic Violence Response Fund</u>	<u>HUD - CDBG Fund</u>
\$ 432,948	\$ 332,225	\$ 19,795	\$ 50,081	\$	\$
					28,010
61,500					
<u>\$ 494,448</u>	<u>\$ 332,225</u>	<u>\$ 19,795</u>	<u>\$ 50,081</u>	<u>\$</u>	<u>\$ 28,010</u>
\$ 6,942	\$ 6,575	\$	\$	\$	\$
329					618
					21,909
<u>7,271</u>	<u>6,575</u>	<u></u>	<u></u>	<u></u>	<u>22,527</u>
487,177	325,650	19,795	50,081		5,483
<u>487,177</u>	<u>325,650</u>	<u>19,795</u>	<u>50,081</u>	<u></u>	<u>5,483</u>
<u>\$ 494,448</u>	<u>\$ 332,225</u>	<u>\$ 19,795</u>	<u>\$ 50,081</u>	<u>\$</u>	<u>\$ 28,010</u>

(Continued)

CITY OF RIO RANCHO, NEW MEXICO
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2010
(Concluded)

	Crime Victims Assistance Fund	HUD - CDBG ARRA FUND	Totals
<u>ASSETS</u>			
Cash and investments	\$	\$	\$ 9,330,313
Accounts receivable			31,081
Due from federal government	6,676		54,360
Due from state government			610,601
Total assets	\$ 6,676	\$	\$ 10,026,355
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$ 248,039
Accrued payroll	2,403		18,130
Accrued interest payable			11,252
Due to other funds	6,676		51,892
Deferred revenue			158,742
Total liabilities	9,079		488,055
Fund balances (deficits):			
Unreserved:			
Undesignated	(2,403)		9,538,300
Total fund balances	(2,403)		9,538,300
 Total liabilities and fund balances	 \$ 6,676	 \$	 \$ 10,026,355

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CITY OF RIO RANCHO, NEW MEXICO
COMBINING BALANCE SHEET - NON-MAJOR DEBT SERVICE FUNDS
JUNE 30, 2010

	General Obligation Bonds Fund	Gross Receipts Tax Revenue Bonds Series 2003 Fund	Gross Receipts Tax Revenue Bonds Series 2005 Fund	HP Loan Fund
<u>ASSETS</u>				
Cash and investments	\$ 4,431,890	\$ 7	\$ 32	\$ 13,241
Property taxes receivable	464,197			
Due from state government			161,656	47,528
Total assets	<u><u>\$ 4,896,087</u></u>	<u><u>\$ 7</u></u>	<u><u>\$ 161,688</u></u>	<u><u>\$ 60,769</u></u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accrued interest payable	\$ 458,838	\$ 2,314	\$ 64,219	\$ 18,881
Deferred revenue	397,568			
Total liabilities	<u>856,406</u>	<u>2,314</u>	<u>64,219</u>	<u>18,881</u>
Fund balances (deficits):				
Unreserved:				
Undesignated	4,039,681	(2,307)	97,469	41,888
Total fund balances	<u>4,039,681</u>	<u>(2,307)</u>	<u>97,469</u>	<u>41,888</u>
Total liabilities and fund balances	<u><u>\$ 4,896,087</u></u>	<u><u>\$ 7</u></u>	<u><u>\$ 161,688</u></u>	<u><u>\$ 60,769</u></u>

HS Loan Fund	Totals
\$ 32,342	\$ 4,477,512
	464,197
	209,184
<u>\$ 32,342</u>	<u>\$ 5,150,893</u>

\$ 17,107	\$ 561,359
	397,568
<u>17,107</u>	<u>958,927</u>

<u>15,235</u>	<u>4,191,966</u>
<u>15,235</u>	<u>4,191,966</u>
<u>\$ 32,342</u>	<u>\$ 5,150,893</u>

CITY OF RIO RANCHO, NEW MEXICO
COMBINING BALANCE SHEET - NON-MAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2010

	Capital Projects Fund	HP Infrastructure Fund	HS Infrastructure Fund	Infrastructure Fund
<u>ASSETS</u>				
Cash and investments	\$ 153,594	\$ 280,952	\$ 1,030,906	\$
Due from federal government				868,136
Due from state government				
Total assets	<u>\$ 153,594</u>	<u>\$ 280,952</u>	<u>\$ 1,030,906</u>	<u>\$ 868,136</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ 40,936	\$	\$ 118,589	\$ 71,192
Accrued interest payable				
Due to other funds				1,349,363
Total liabilities	<u>40,936</u>	<u></u>	<u>118,589</u>	<u>1,420,555</u>
Fund balances (deficits):				
Unreserved:				
Undesignated	112,658	280,952	912,317	(552,419)
Total fund balances	<u>112,658</u>	<u>280,952</u>	<u>912,317</u>	<u>(552,419)</u>
Total liabilities and fund balances	<u>\$ 153,594</u>	<u>\$ 280,952</u>	<u>\$ 1,030,906</u>	<u>\$ 868,136</u>

Building Improvement Fund	State Appropriation Capital Projects Fund	Bond Construction 2004 Library Fund	Bond Construction 2005 Fund	Bond Construction 2006 Aquatics Fund	Road Impact Fees Fund
\$ 67,951	\$	\$ 12,476	\$ 31,602	\$ 97,600	\$ 2,644,215
	893,989				
<u>\$ 67,951</u>	<u>\$ 893,989</u>	<u>\$ 12,476</u>	<u>\$ 31,602</u>	<u>\$ 97,600</u>	<u>\$ 2,644,215</u>
\$	\$	\$	\$	\$ 1,232	\$ 2,412 1,306
	976,952				
	<u>976,952</u>			<u>1,232</u>	<u>3,718</u>
67,951	(82,963)	12,476	31,602	96,368	2,640,497
<u>67,951</u>	<u>(82,963)</u>	<u>12,476</u>	<u>31,602</u>	<u>96,368</u>	<u>2,640,497</u>
<u>\$ 67,951</u>	<u>\$ 893,989</u>	<u>\$ 12,476</u>	<u>\$ 31,602</u>	<u>\$ 97,600</u>	<u>\$ 2,644,215</u>

(Continued)

CITY OF RIO RANCHO, NEW MEXICO
COMBINING BALANCE SHEET - NON-MAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2010
(Concluded)

	Trail Impact Fees Fund	Park Impact Fees Fund	Public Safety Impact Fees Fund	Drainage Impact Fees Fund
<u>ASSETS</u>				
Cash and investments	\$ 142,992	\$ 648,969	\$ 622,251	\$ 851,277
Due from federal government				
Due from state government				
Total assets	<u>\$ 142,992</u>	<u>\$ 648,969</u>	<u>\$ 622,251</u>	<u>\$ 851,277</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$	\$	\$ 2,098	\$ 30,693
Accrued interest payable				
Due to other funds				
Total liabilities			<u>2,098</u>	<u>30,693</u>
Fund balances (deficits):				
Unreserved:				
Undesignated	<u>142,992</u>	<u>648,969</u>	<u>620,153</u>	<u>820,584</u>
Total fund balances	<u>142,992</u>	<u>648,969</u>	<u>620,153</u>	<u>820,584</u>
Total liabilities and fund balances	<u>\$ 142,992</u>	<u>\$ 648,969</u>	<u>\$ 622,251</u>	<u>\$ 851,277</u>

Solid Waste Disposal- Indigent Fund	Totals
\$ 1,960	\$ 6,586,745
	868,136
	893,989
<u>\$ 1,960</u>	<u>\$ 8,348,870</u>

\$	\$ 267,152
	1,306
	2,326,315
	<u>2,594,773</u>

<u>1,960</u>	<u>5,754,097</u>
<u>1,960</u>	<u>5,754,097</u>
<u>\$ 1,960</u>	<u>\$ 8,348,870</u>

CITY OF RIO RANCHO, NEW MEXICO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2010

	Donations Fund	Aquatics Swim Team Fund	Recreation Activities and Vending Fund
Revenues:			
Municipal and state shared taxes	\$	\$	\$
Intergovernmental federal			
Intergovernmental state			
Charges for services	32,908		268,320
Fines and forfeits	888		
Franchise fees			
Contributions and donations	5,062		
Investment income	43		80
Other revenues			
Total revenues	<u>38,901</u>	<u></u>	<u>268,400</u>
Expenditures:			
Current -			
General government			
Public safety	40,351		
Public works			
Culture and recreation	9,500	322	187,048
Economic development			
Capital outlay			5,744
Debt service -			
Principal			
Interest and fiscal charges			
Total expenditures	<u>49,851</u>	<u>322</u>	<u>192,792</u>
Excess (deficiency) of revenues over expenditures	<u>(10,950)</u>	<u>(322)</u>	<u>75,608</u>
Other financing sources (uses):			
Loan proceeds			
Transfers in			
Transfers out			
Total other financing sources (uses)	<u></u>	<u></u>	<u></u>
Change in fund balances	<u>(10,950)</u>	<u>(322)</u>	<u>75,608</u>
Fund balances (deficits), beginning of year	44,043	688	77,954
Restatement			
Fund balances (deficits), beginning of year, as restated	44,043	688	77,954
Fund balances (deficits), end of year	<u>\$ 33,093</u>	<u>\$ 366</u>	<u>\$ 153,562</u>

Recreation Fund	Keep Rio Rancho Beautiful Grant Fund	Community Response Program Fund	Workers Compensation Fund	Senior Services Fund	Library Fund
\$ 15,839	\$	\$ 18,113	\$	\$	\$
	67,784			5,179 14,091	13,364
41			167	3,021 23	27,427 13,779
15,880	67,784	18,113	553,814 553,981	22,314	54,570
			529,672		
		19,513			
	72,195			17,975 5,179	403,278
	72,195	19,513	529,672	23,154	403,278
15,880	(4,411)	(1,400)	24,309	(840)	(348,708)
15,880	(4,411)	(1,400)	24,309	(840)	(348,708)
41,356	4,400	462	377,726	24,358	1,522,073
41,356	4,400	462	377,726	24,358	1,522,073
\$ 57,236	\$ (11)	\$ (938)	\$ 402,035	\$ 23,518	\$ 1,173,365

CITY OF RIO RANCHO, NEW MEXICO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2010
(Continued)

	Promotion and Marketing Fund	Rio Rancho Convention & Visitors Bureau Fund	Rio Vision Cable Fund
Revenues:			
Municipal and state shared taxes	\$	\$ 336,554	\$
Intergovernmental federal			
Intergovernmental state	5,775	13,925	
Charges for services	83,187		
Fines and forfeits			
Franchise fees			136,804
Contributions and donations			
Investment income		19	131
Other revenues	2,000		
Total revenues	<u>90,962</u>	<u>350,498</u>	<u>136,935</u>
Expenditures:			
Current -			
General government			
Public safety			
Public works			
Culture and recreation			187,653
Economic development	252,077	378,669	
Capital outlay			
Debt service -			
Principal			
Interest and fiscal charges			
Total expenditures	<u>252,077</u>	<u>378,669</u>	<u>187,653</u>
Excess (deficiency) of revenues over expenditures	<u>(161,115)</u>	<u>(28,171)</u>	<u>(50,718)</u>
Other financing sources (uses):			
Loan proceeds			
Transfers in	152,773	17,266	
Transfers out			
Total other financing sources (uses)	<u>152,773</u>	<u>17,266</u>	<u></u>
Change in fund balances	<u>(8,342)</u>	<u>(10,905)</u>	<u>(50,718)</u>
Fund balances (deficits), beginning of year	12,203	13,900	161,929
Restatement			
Fund balances (deficits), beginning of year, as restated	12,203	13,900	161,929
Fund balances (deficits), end of year	<u>\$ 3,861</u>	<u>\$ 2,995</u>	<u>\$ 111,211</u>

ARRA DOJ Fund	Local Government Corrections Fund	Law Enforcement Fund	DPS Enforcement Aid Fund	Traffic Education and Enforcement Aid Fund	NM Gang Task Force Grant Fund
\$ 243,805	\$ 185,880	\$ 103,800	\$ 69,192	\$ 78,117	\$ 16,992
10	67	90	1,250 104 3,507	44	44,879
<u>243,815</u>	<u>185,947</u>	<u>103,890</u>	<u>74,053</u>	<u>78,161</u>	<u>61,871</u>
100,344	302,464	95,949	74,315	45,867	26,062
143,460				24,032	
<u>243,804</u>	<u>302,464</u>	<u>95,949</u>	<u>74,315</u>	<u>69,899</u>	<u>26,062</u>
<u>11</u>	<u>(116,517)</u>	<u>7,941</u>	<u>(262)</u>	<u>8,262</u>	<u>35,809</u>
	76,200				
	<u>76,200</u>				
<u>11</u>	<u>(40,317)</u>	<u>7,941</u>	<u>(262)</u>	<u>8,262</u>	<u>35,809</u>
	58,187	12,673	103,745	36,363	
			(103,850)		
	58,187	12,673	(105)	36,363	
<u>\$ 11</u>	<u>\$ 17,870</u>	<u>\$ 20,614</u>	<u>\$ (367)</u>	<u>\$ 44,625</u>	<u>\$ 35,809</u>

CITY OF RIO RANCHO, NEW MEXICO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2010
(Continued)

	Fire Protection Fund	Emergency Medical Services Fund	Summer Lunch Program Fund
Revenues:			
Municipal and state shared taxes	\$	\$	\$
Intergovernmental federal			57,429
Intergovernmental state	597,878	20,400	
Charges for services			
Fines and forfeits			
Franchise fees			
Contributions and donations			
Investment income	465	12	
Other revenues	7,975		
Total revenues	<u>606,318</u>	<u>20,412</u>	<u>57,429</u>
Expenditures:			
Current -			
General government			
Public safety	162,865	17,339	
Public works			
Culture and recreation			70,259
Economic development			
Capital outlay	154,165	1,752	
Debt service -			
Principal	92,850		
Interest and fiscal charges	57,492		
Total expenditures	<u>467,372</u>	<u>19,091</u>	<u>70,259</u>
Excess (deficiency) of revenues over expenditures	<u>138,946</u>	<u>1,321</u>	<u>(12,830)</u>
Other financing sources (uses):			
Loan proceeds	337,259		
Transfers in	31,000		
Transfers out			
Total other financing sources (uses)	<u>368,259</u>		
Change in fund balances	<u>507,205</u>	<u>1,321</u>	<u>(12,830)</u>
Fund balances (deficits), beginning of year	(1,826)	2,544	(26,456)
Restatement			
Fund balances (deficits), beginning of year, as restated	(1,826)	2,544	(26,456)
Fund balances (deficits), end of year	<u>\$ 505,379</u>	<u>\$ 3,865</u>	<u>\$ (39,286)</u>

ARRA EECBG Fund	Environmental Gross Receipts Tax Fund	Higher Education Gross Receipts Tax Fund	Municipal Road Fund	Recreation Development Fund	Computer/Soft ware Replacement Fund
\$ 338,149	\$ 625,188	\$ 2,055,625	\$ 640,860	\$ 2,399	\$
	16,538				
	2,770	4,096	348	769	
			23,134	5,250	
338,149	644,496	2,059,721	664,342	8,418	
75,580					
	105,395		383,318	4,169	
268,087	261,967		49,461	476,497	
			81,052		
			3,616		
343,667	367,362		517,447	480,666	
(5,518)	277,134	2,059,721	146,895	(472,248)	
				35,000	
				(15,460)	
				19,540	
(5,518)	277,134	2,059,721	146,895	(452,708)	
	1,621,210	2,151,157	340,282	778,358	19,795
	1,621,210	2,151,157	340,282	778,358	19,795
\$ (5,518)	\$ 1,898,344	\$ 4,210,878	\$ 487,177	\$ 325,650	\$ 19,795

CITY OF RIO RANCHO, NEW MEXICO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2010
(Concluded)

	Equipment Replacement Fund	Domestic Violence Response Fund	HUD - CDBG Fund
Revenues:			
Municipal and state shared taxes	\$	\$	\$
Intergovernmental federal		7,462	184,285
Intergovernmental state			
Charges for services			
Fines and forfeits			
Franchise fees			
Contributions and donations			
Investment income	11		
Other revenues		2,400	
Total revenues	<u>11</u>	<u>9,862</u>	<u>184,285</u>
Expenditures:			
Current -			
General government			
Public safety		7,290	
Public works			178,071
Culture and recreation			
Economic development			
Capital outlay			
Debt service -			
Principal			
Interest and fiscal charges			
Total expenditures		<u>7,290</u>	<u>178,071</u>
Excess (deficiency) of revenues over expenditures	<u>11</u>	<u>2,572</u>	<u>6,214</u>
Other financing sources (uses):			
Loan proceeds			
Transfers in	50,000	16,110	
Transfers out			
Total other financing sources (uses)	<u>50,000</u>	<u>16,110</u>	
Change in fund balances	<u>50,011</u>	<u>18,682</u>	<u>6,214</u>
Fund balances (deficits), beginning of year	70	(53,930)	(731)
Restatement		35,248	88,484
Fund balances (deficits), beginning of year, as restated	70	(18,682)	(731)
Fund balances (deficits), end of year	<u>\$ 50,081</u>	<u>\$</u>	<u>\$ 5,483</u>

Crime Victims Assistance Fund	HUD - CDBG ARRA Fund	Totals
\$	\$	\$
107,789	84,497	3,674,066
		1,127,713
		830,504
		584,386
		79,005
		136,804
		53,298
		23,069
		642,959
<u>107,789</u>	<u>84,497</u>	<u>7,151,804</u>
		605,252
112,366		1,004,725
	84,497	751,281
		952,399
		630,746
		1,390,344
		173,902
		61,108
<u>112,366</u>	<u>84,497</u>	<u>5,569,757</u>
<u>(4,577)</u>		<u>1,582,047</u>
		337,259
12,763		391,112
		(15,460)
<u>12,763</u>		<u>712,911</u>
<u>8,186</u>		<u>2,294,958</u>
(10,589)		7,223,460
		19,882
(10,589)		7,243,342
<u>\$ (2,403)</u>	<u>\$</u>	<u>\$ 9,538,300</u>

CITY OF RIO RANCHO, NEW MEXICO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR DEBT SERVICE FUNDS
YEAR ENDED JUNE 30, 2010

	General Obligation Bonds Fund	Gross Receipts Tax Revenue Bonds Series 2003 Fund	Gross Receipts Tax Revenue Bonds Series 2005 Fund
Revenues:			
Property taxes	\$ 4,491,453	\$	\$
Municipal and state shared taxes		529,206	949,526
Investment income	2,341	157	328
Other revenues	47,650		
Total revenues	<u>4,541,444</u>	<u>529,363</u>	<u>949,854</u>
Expenditures:			
Current -			
Other expenses		1,500	1,500
Debt service -			
Principal	3,200,000	595,000	230,000
Interest and fiscal charges	1,195,521	51,753	816,743
Total expenditures	<u>4,395,521</u>	<u>648,253</u>	<u>1,048,243</u>
Excess (deficiency) of revenues over expenditures	<u>145,923</u>	<u>(118,890)</u>	<u>(98,389)</u>
Other financing sources (uses):			
Transfers in			
Total other financing sources (uses)			
Change in fund balances	<u>145,923</u>	<u>(118,890)</u>	<u>(98,389)</u>
Fund balances, beginning of year	3,893,758	116,583	195,858
Fund balances (deficits), end of year	<u>\$ 4,039,681</u>	<u>\$ (2,307)</u>	<u>\$ 97,469</u>

<u>HP Loan Fund</u>	<u>HS Loan Fund</u>	<u>Totals</u>
\$	\$	\$
212,781		4,491,453
96	51	1,691,513
		2,973
		47,650
<u>212,877</u>	<u>51</u>	<u>6,233,589</u>
		3,000
175,000		4,200,000
<u>244,081</u>	<u>215,312</u>	<u>2,523,410</u>
<u>419,081</u>	<u>215,312</u>	<u>6,726,410</u>
<u>(206,204)</u>	<u>(215,261)</u>	<u>(492,821)</u>
<u>177,976</u>	<u>230,421</u>	<u>408,397</u>
<u>177,976</u>	<u>230,421</u>	<u>408,397</u>
<u>(28,228)</u>	<u>15,160</u>	<u>(84,424)</u>
70,116	75	4,276,390
<u>\$ 41,888</u>	<u>\$ 15,235</u>	<u>\$ 4,191,966</u>

CITY OF RIO RANCHO, NEW MEXICO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2010

	Capital Projects Fund	HP Infrastructure Fund	HS Infrastructure Fund
Revenues:			
Intergovernmental federal	\$	\$	\$
Intergovernmental state			
Intergovernmental county			
Impact fees			
Contributions and donations			
Investment income	261	2,470	3,702
Other revenues			
Total revenues	<u>261</u>	<u>2,470</u>	<u>3,702</u>
Expenditures:			
Current -			
General government			
Public works			
Culture and recreation			
Capital outlay	263,235	2,489,767	1,260,619
Debt service -			
Principal			
Interest and fiscal charges			
Total expenditures	<u>263,235</u>	<u>2,489,767</u>	<u>1,260,619</u>
Excess (deficiency) of revenues over expenditures	<u>(262,974)</u>	<u>(2,487,297)</u>	<u>(1,256,917)</u>
Other financing sources (uses):			
Transfers in			
Transfers out		(177,976)	(230,421)
Total other financing sources (uses)		<u>(177,976)</u>	<u>(230,421)</u>
Change in fund balances	<u>(262,974)</u>	<u>(2,665,273)</u>	<u>(1,487,338)</u>
Fund balances (deficits), beginning of year	375,632	2,946,225	2,399,655
Restatement			
Fund balances (deficits), beginning of year, as restated	375,632	2,946,225	2,399,655
Fund balances (deficits), end of year	<u>\$ 112,658</u>	<u>\$ 280,952</u>	<u>\$ 912,317</u>

Infrastructure Fund	Building Improvement Fund	State Appropriation Capital Projects Fund	Bond Construction 2004 Library Fund	Bond Construction 2005 Fund	Bond Construction 2006 Aquatics Fund
\$ 554,068 244,635 150,000	\$	\$ 1,429,479	\$	\$	\$
1,651 7,250 <u>957,604</u>	608 66,499 <u>67,107</u>	<u>1,429,479</u>	11 <u>11</u>	54 <u>54</u>	109 <u>109</u>
24,919		19,376			
1,728,898		1,272,980		9	7,532 17,576
<u>1,753,817</u>		<u>1,292,356</u>		<u>9</u>	<u>25,108</u>
(796,213)	67,107	137,123	11	45	(24,999)
		26,488			
(3,263,966)	(592,131)				
(3,263,966)	(592,131)	26,488			
(4,060,179)	(525,024)	163,611	11	45	(24,999)
3,493,652	592,975	(246,574)	12,465	31,557	121,367
14,108					
3,507,760	592,975	(246,574)	12,465	31,557	121,367
<u>\$ (552,419)</u>	<u>\$ 67,951</u>	<u>\$ (82,963)</u>	<u>\$ 12,476</u>	<u>\$ 31,602</u>	<u>\$ 96,368</u>

(Continued)

CITY OF RIO RANCHO, NEW MEXICO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2010
(Concluded)

	Road Impact Fees Fund	Trail Impact Fees Fund	Park Impact Fees Fund
Revenues:			
Intergovernmental federal	\$	\$	\$
Intergovernmental state			
Intergovernmental county			
Impact fees	1,556,206	20,187	102,476
Contributions and donations			
Investment income	3,323	116	1,124
Other revenues			
Total revenues	<u>1,559,529</u>	<u>20,303</u>	<u>103,600</u>
Expenditures:			
Current -			
General government			
Public works			
Culture and recreation			
Capital outlay	496,902		451,148
Debt service -			
Principal	90,608		
Interest and fiscal charges	11,358		
Total expenditures	<u>598,868</u>		<u>451,148</u>
Excess (deficiency) of revenues over expenditures	<u>960,661</u>	<u>20,303</u>	<u>(347,548)</u>
Other financing sources (uses):			
Transfers in			
Transfers out	(42,191)	(502)	(5,175)
Total other financing sources (uses)	<u>(42,191)</u>	<u>(502)</u>	<u>(5,175)</u>
Change in fund balances	<u>918,470</u>	<u>19,801</u>	<u>(352,723)</u>
Fund balances (deficits), beginning of year	1,722,027	123,191	1,001,692
Restatement			
Fund balances (deficits), beginning of year, as restated	1,722,027	123,191	1,001,692
Fund balances (deficits), end of year	<u>\$ 2,640,497</u>	<u>\$ 142,992</u>	<u>\$ 648,969</u>

Public Safety Impact Fees Fund	Drainage Impact Fees Fund	Solid Waste Disposal- Indigent Fund	Totals
\$	\$	\$	\$ 554,068
			1,674,114
			150,000
335,865	237,198		2,251,932
		12,000	12,000
770	1,219	4	15,422
			73,749
<u>336,635</u>	<u>238,417</u>	<u>12,004</u>	<u>4,731,285</u>
		20,500	39,876
			24,919
			7,532
290,138	344,844		8,616,116
			90,608
			11,358
<u>290,138</u>	<u>344,844</u>	<u>20,500</u>	<u>8,790,409</u>
<u>46,497</u>	<u>(106,427)</u>	<u>(8,496)</u>	<u>(4,059,124)</u>
			26,488
<u>(9,311)</u>	<u>(6,301)</u>		<u>(4,327,974)</u>
<u>(9,311)</u>	<u>(6,301)</u>		<u>(4,301,486)</u>
<u>37,186</u>	<u>(112,728)</u>	<u>(8,496)</u>	<u>(8,360,610)</u>
582,967	933,312	10,456	14,100,599
			14,108
582,967	933,312	10,456	14,114,707
<u>\$ 620,153</u>	<u>\$ 820,584</u>	<u>\$ 1,960</u>	<u>\$ 5,754,097</u>

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**SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – BUDGET AND ACTUAL**

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CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - DONATIONS FUND
YEAR ENDED JUNE 30, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Charges for services	\$ 40,000	\$ 40,000	\$ 32,908	\$ (7,092)
Fines and forfeits	800	800	888	88
Contributions and donations	4,000	4,885	5,062	177
Investment income	100	100	43	(57)
Total revenues	<u>44,900</u>	<u>45,785</u>	<u>38,901</u>	<u>(6,884)</u>
Expenditures:				
Current -				
Public safety	71,611	77,798	40,351	37,447
Culture and recreation	9,500	9,685	9,500	185
Total expenditures	<u>81,111</u>	<u>87,483</u>	<u>49,851</u>	<u>37,632</u>
Change in fund balances	<u>(36,211)</u>	<u>(41,698)</u>	<u>(10,950)</u>	<u>30,748</u>
Fund balances, July 1, 2009	38,425	46,889	44,043	(2,846)
Fund balances, June 30, 2010	<u>\$ 2,214</u>	<u>\$ 5,191</u>	<u>\$ 33,093</u>	<u>\$ 27,902</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - AQUATICS SWIM TEAM FUND
YEAR ENDED JUNE 30, 2010

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:	\$	\$	\$	\$
Total revenues				
Expenditures:				
Current -				
Change in fund balances	688	688	322	366
Total expenditures	<u>688</u>	<u>688</u>	<u>322</u>	<u>366</u>
Excess (deficiency) of revenues over expenditures	<u>(688)</u>	<u>(688)</u>	<u>(322)</u>	<u>366</u>
Fund balances, July 1, 2009	688	688	688	
Fund balances, June 30, 2010	<u>\$</u>	<u>\$</u>	<u>\$ 366</u>	<u>\$ 366</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - RECREATION ACTIVITIES AND VENDING FUND
YEAR ENDED JUNE 30, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Charges for services	\$ 322,940	\$ 296,008	\$ 268,320	\$ (27,688)
Investment income			80	80
Total revenues	<u>322,940</u>	<u>296,008</u>	<u>268,400</u>	<u>(27,608)</u>
Expenditures:				
Current -				
Culture and recreation	346,091	334,223	187,048	147,175
Capital outlay		9,288	5,744	3,544
Total expenditures	<u>346,091</u>	<u>343,511</u>	<u>192,792</u>	<u>150,719</u>
Change in fund balances	<u>(23,151)</u>	<u>(47,503)</u>	<u>75,608</u>	<u>123,111</u>
Fund balances, July 1, 2009	49,738	88,929	77,954	(10,975)
Fund balances, June 30, 2010	<u>\$ 26,587</u>	<u>\$ 41,426</u>	<u>\$ 153,562</u>	<u>\$ 112,136</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - RECREATION FUND
YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Municipal and state shared taxes	\$ 15,000	\$ 15,000	\$ 15,839	\$ 839
Investment income			41	41
Total revenues	<u>15,000</u>	<u>15,000</u>	<u>15,880</u>	<u>880</u>
Expenditures:				
Capital outlay	<u>47,000</u>	<u>47,000</u>		<u>47,000</u>
Total expenditures	<u>47,000</u>	<u>47,000</u>		<u>47,000</u>
Change in fund balances	<u>(32,000)</u>	<u>(32,000)</u>	<u>15,880</u>	<u>47,880</u>
Fund balances, July 1, 2009	40,818	40,818	41,356	538
Fund balances, June 30, 2010	<u>\$ 8,818</u>	<u>\$ 8,818</u>	<u>\$ 57,236</u>	<u>\$ 48,418</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - KEEP RIO RANCHO BEAUTIFUL GRANT
FUND
YEAR ENDED JUNE 30, 2010

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental state	\$ 69,000	\$ 95,035	\$ 67,784	\$ (27,251)
Total revenues	<u>69,000</u>	<u>95,035</u>	<u>67,784</u>	<u>(27,251)</u>
Expenditures:				
Current -				
Culture and recreation	69,000	76,666	72,195	4,471
Total expenditures	<u>69,000</u>	<u>76,666</u>	<u>72,195</u>	<u>4,471</u>
Change in fund balances		<u>18,369</u>	<u>(4,411)</u>	<u>(22,780)</u>
Fund balances (deficits), July 1, 2009			4,400	4,400
Fund balances (deficits), June 30, 2010	<u>\$</u>	<u>\$ 18,369</u>	<u>\$ (11)</u>	<u>\$ (18,380)</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - COMMUNITY RESPONSE PROGRAM FUND
YEAR ENDED JUNE 30, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental federal	\$	\$ 34,386	\$ 18,113	\$ (16,273)
Total revenues		<u>34,386</u>	<u>18,113</u>	<u>(16,273)</u>
Expenditures:				
Current -				
Public safety		31,067	19,513	11,554
Total expenditures		<u>31,067</u>	<u>19,513</u>	<u>11,554</u>
Change in fund balances		<u>3,319</u>	<u>(1,400)</u>	<u>(4,719)</u>
Fund balances (deficits), July 1, 2009			462	462
Fund balances (deficits), June 30, 2010	<u>\$</u>	<u>\$ 3,319</u>	<u>\$ (938)</u>	<u>\$ (4,257)</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - WORKERS COMPENSATION FUND
YEAR ENDED JUNE 30, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Investment income	\$	\$	\$ 167	\$ 167
Other revenues	555,968	555,968	553,814	(2,154)
Total revenues	<u>555,968</u>	<u>555,968</u>	<u>553,981</u>	<u>(1,987)</u>
Expenditures:				
Current -				
General government	568,587	761,090	529,672	231,418
Total expenditures	<u>568,587</u>	<u>761,090</u>	<u>529,672</u>	<u>231,418</u>
Change in fund balances	<u>(12,619)</u>	<u>(205,122)</u>	<u>24,309</u>	<u>229,431</u>
Fund balances, July 1, 2009	391,506	391,506	377,726	(13,780)
Fund balances, June 30, 2010	<u>\$ 378,887</u>	<u>\$ 186,384</u>	<u>\$ 402,035</u>	<u>\$ 215,651</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - SENIOR SERVICES FUND
YEAR ENDED JUNE 30, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental state	\$	\$ 168,501	\$ 5,179	\$ (163,322)
Charges for services	48,370	48,370	14,091	(34,279)
Contributions and donations	3,000	3,000	3,021	21
Investment income	50	50	23	(27)
Other revenues	100	100		(100)
Total revenues	<u>51,520</u>	<u>220,021</u>	<u>22,314</u>	<u>(197,707)</u>
Expenditures:				
Current -				
Culture and recreation	60,970	93,471	17,975	75,496
Capital outlay		136,000	5,179	130,821
Total expenditures	<u>60,970</u>	<u>229,471</u>	<u>23,154</u>	<u>206,317</u>
Change in fund balances	<u>(9,450)</u>	<u>(9,450)</u>	<u>(840)</u>	<u>8,610</u>
Fund balances, July 1, 2009	24,421	24,421	24,358	(63)
Fund balances, June 30, 2010	<u>\$ 14,971</u>	<u>\$ 14,971</u>	<u>\$ 23,518</u>	<u>\$ 8,547</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - LIBRARY FUND
YEAR ENDED JUNE 30, 2010

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental state	\$	\$	\$ 13,364	\$ 13,364
Contributions and donations	15,000	18,000	27,427	9,427
Investment income	15,000	10,000	13,779	3,779
Total revenues	<u>30,000</u>	<u>28,000</u>	<u>54,570</u>	<u>26,570</u>
Expenditures:				
Current -				
Culture and recreation	<u>430,570</u>	<u>451,121</u>	<u>403,278</u>	<u>47,843</u>
Total expenditures	<u>430,570</u>	<u>451,121</u>	<u>403,278</u>	<u>47,843</u>
Change in fund balances	<u>(400,570)</u>	<u>(423,121)</u>	<u>(348,708)</u>	<u>74,413</u>
Fund balances, July 1, 2009	1,527,862	1,539,728	1,522,073	(17,655)
Fund balances, June 30, 2010	<u>\$ 1,127,292</u>	<u>\$ 1,116,607</u>	<u>\$ 1,173,365</u>	<u>\$ 56,758</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - PROMOTION AND MARKETING FUND
YEAR ENDED JUNE 30, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental state	\$	\$ 7,489	\$ 5,775	\$ (1,714)
Charges for services	100,000	88,591	83,187	(5,404)
Other revenues		2,000	2,000	
Total revenues	<u>100,000</u>	<u>98,080</u>	<u>90,962</u>	<u>(7,118)</u>
Expenditures:				
Current -				
Economic development	280,292	261,375	252,077	9,298
Total expenditures	<u>280,292</u>	<u>261,375</u>	<u>252,077</u>	<u>9,298</u>
Excess (deficiency) of revenues over expenditures	<u>(180,292)</u>	<u>(163,295)</u>	<u>(161,115)</u>	<u>2,180</u>
Other financing sources (uses):				
Transfers in	170,937	152,773	152,773	
Total other financing sources (uses)	<u>170,937</u>	<u>152,773</u>	<u>152,773</u>	
Change in fund balances	<u>(9,355)</u>	<u>(10,522)</u>	<u>(8,342)</u>	<u>2,180</u>
Fund balances, July 1, 2009	11,796	10,522	12,203	1,681
Fund balances, June 30, 2010	<u>\$ 2,441</u>	<u>\$</u>	<u>\$ 3,861</u>	<u>\$ 3,861</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - RIO RANCHO CONVENTION & VISITORS BUREAU FUND
YEAR ENDED JUNE 30, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Municipal and state shared taxes	\$ 371,000	\$ 350,177	\$ 336,554	\$ (13,623)
Intergovernmental state	10,000	13,925	13,925	
Investment income	500	50	19	(31)
Total revenues	<u>381,500</u>	<u>364,152</u>	<u>350,498</u>	<u>(13,654)</u>
Expenditures:				
Current -				
Economic development	412,146	398,236	378,669	19,567
Total expenditures	<u>412,146</u>	<u>398,236</u>	<u>378,669</u>	<u>19,567</u>
Excess (deficiency) of revenues over expenditures	<u>(30,646)</u>	<u>(34,084)</u>	<u>(28,171)</u>	<u>5,913</u>
Other financing sources (uses):				
Transfers in	25,000	17,266	17,266	
Total other financing sources (uses)	<u>25,000</u>	<u>17,266</u>	<u>17,266</u>	
Change in fund balances	<u>(5,646)</u>	<u>(16,818)</u>	<u>(10,905)</u>	<u>5,913</u>
Fund balances, July 1, 2009	5,646	16,818	13,900	(2,918)
Fund balances, June 30, 2010	<u>\$</u>	<u>\$</u>	<u>\$ 2,995</u>	<u>\$ 2,995</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - RIO VISION CABLE FUND
YEAR ENDED JUNE 30, 2010

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Franchise fees	\$ 140,000	\$ 140,000	\$ 136,804	\$ (3,196)
Investment income	1,000	1,000	131	(869)
Total revenues	<u>141,000</u>	<u>141,000</u>	<u>136,935</u>	<u>(4,065)</u>
Expenditures:				
Current -				
Culture and recreation	227,705	228,869	187,653	41,216
Capital outlay	10,000	10,000		10,000
Total expenditures	<u>237,705</u>	<u>238,869</u>	<u>187,653</u>	<u>51,216</u>
Change in fund balances	<u>(96,705)</u>	<u>(97,869)</u>	<u>(50,718)</u>	<u>47,151</u>
Fund balances, July 1, 2009	117,721	127,288	161,929	34,641
Fund balances, June 30, 2010	<u>\$ 21,016</u>	<u>\$ 29,419</u>	<u>\$ 111,211</u>	<u>\$ 81,792</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - ARRA DOJ FUND
YEAR ENDED JUNE 30, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental federal	\$ 243,805	\$ 243,805	\$ 243,805	\$
Investment income			10	10
Total revenues	<u>243,805</u>	<u>243,805</u>	<u>243,815</u>	<u>10</u>
Expenditures:				
Current -				
Public safety	100,344	100,344	100,344	
Capital outlay	143,461	143,461	143,460	1
Total expenditures	<u>243,805</u>	<u>243,805</u>	<u>243,804</u>	<u>1</u>
Change in fund balances			<u>11</u>	<u>11</u>
Fund balances, July 1, 2009				
Fund balances, June 30, 2010	<u>\$</u>	<u>\$</u>	<u>\$ 11</u>	<u>\$ 11</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - LOCAL GOVERNMENT CORRECTIONS FUND
YEAR ENDED JUNE 30, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Charges for services	\$ 200,000	\$ 200,000	\$ 185,880	\$ (14,120)
Investment income	100	100	67	(33)
Total revenues	<u>200,100</u>	<u>200,100</u>	<u>185,947</u>	<u>(14,153)</u>
Expenditures:				
Current -				
Public safety	296,503	367,575	302,464	65,111
Total expenditures	<u>296,503</u>	<u>367,575</u>	<u>302,464</u>	<u>65,111</u>
Excess (deficiency) of revenues over expenditures	<u>(96,403)</u>	<u>(167,475)</u>	<u>(116,517)</u>	<u>50,958</u>
Other financing sources (uses):				
Transfers in	76,200	76,200	76,200	
Total other financing sources (uses)	<u>76,200</u>	<u>76,200</u>	<u>76,200</u>	
Change in fund balances	<u>(20,203)</u>	<u>(91,275)</u>	<u>(40,317)</u>	<u>50,958</u>
Fund balances, July 1, 2009	20,203	91,275	58,187	(33,088)
Fund balances, June 30, 2010	<u>\$</u>	<u>\$</u>	<u>\$ 17,870</u>	<u>\$ 17,870</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - LAW ENFORCEMENT FUND
YEAR ENDED JUNE 30, 2010

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental state	\$ 103,800	\$ 103,200	\$ 103,800	\$ 600
Investment income	100	100	90	(10)
Total revenues	<u>103,900</u>	<u>103,300</u>	<u>103,890</u>	<u>590</u>
Expenditures:				
Current -				
Public safety	104,500	104,750	95,949	8,801
Total expenditures	<u>104,500</u>	<u>104,750</u>	<u>95,949</u>	<u>8,801</u>
Change in fund balances	<u>(600)</u>	<u>(1,450)</u>	<u>7,941</u>	<u>9,391</u>
Fund balances, July 1, 2009	12,100	13,496	12,673	(823)
Fund balances, June 30, 2010	<u>\$ 11,500</u>	<u>\$ 12,046</u>	<u>\$ 20,614</u>	<u>\$ 8,568</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - DPS ENFORCEMENT AID FUND
YEAR ENDED JUNE 30, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental federal	\$ 30,000	\$ 20,000	\$ 69,192	\$ 49,192
Contributions and donations		1,150	1,250	100
Investment income	100	100	104	4
Other revenues		1,500	3,507	2,007
Total revenues	<u>30,100</u>	<u>22,750</u>	<u>74,053</u>	<u>51,303</u>
Expenditures:				
Current -				
Public safety	129,899	122,548	74,315	48,233
Total expenditures	<u>129,899</u>	<u>122,548</u>	<u>74,315</u>	<u>48,233</u>
Change in fund balances	<u>(99,799)</u>	<u>(99,798)</u>	<u>(262)</u>	<u>99,536</u>
Fund balances (deficits), July 1, 2009, as restated	121,327	121,609	(105)	(121,714)
Fund balances (deficits), June 30, 2010	<u>\$ 21,528</u>	<u>\$ 21,811</u>	<u>\$ (367)</u>	<u>\$ (22,178)</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - TRAFFIC EDUCATION AND ENFORCEMENT AID FUND
YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines and forfeits	\$ 85,000	\$ 85,000	\$ 78,117	\$ (6,883)
Investment income	100	100	44	(56)
Total revenues	<u>85,100</u>	<u>85,100</u>	<u>78,161</u>	<u>(6,939)</u>
Expenditures:				
Current -				
Public safety	68,775	68,559	45,867	22,692
Capital outlay	23,816	24,032	24,032	
Total expenditures	<u>92,591</u>	<u>92,591</u>	<u>69,899</u>	<u>22,692</u>
Change in fund balances	<u>(7,491)</u>	<u>(7,491)</u>	<u>8,262</u>	<u>15,753</u>
Fund balances, July 1, 2009	36,655	36,655	36,363	(292)
Fund balances, June 30, 2010	<u>\$ 29,164</u>	<u>\$ 29,164</u>	<u>\$ 44,625</u>	<u>\$ 15,461</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - NM GANG TASK FORCE GRANT FUND
YEAR ENDED JUNE 30, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental federal	\$	\$ 749,368	\$ 16,992	\$ (732,376)
Other revenues			44,879	44,879
Total revenues		749,368	61,871	(687,497)
Expenditures:				
Current -				
Public safety		749,368	26,062	723,306
Total expenditures		749,368	26,062	723,306
Change in fund balances			35,809	35,809
Fund balances, July 1, 2009				
Fund balances, June 30, 2010	\$	\$	\$ 35,809	\$ 35,809

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - FIRE PROTECTION FUND
YEAR ENDED JUNE 30, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental state	\$ 452,238	\$ 597,878	\$ 597,878	\$
Investment income		382	465	83
Other revenues		7,975	7,975	
Total revenues	<u>452,238</u>	<u>606,235</u>	<u>606,318</u>	<u>83</u>
Expenditures:				
Current -				
Public safety	217,765	185,653	162,865	22,788
Capital outlay	75,000	725,064	154,165	570,899
Debt service -				
Principal	89,624	89,624	92,850	(3,226)
Interest and fiscal charges	69,849	69,849	57,492	12,357
Total expenditures	<u>452,238</u>	<u>1,070,190</u>	<u>467,372</u>	<u>602,818</u>
Excess (deficiency) of revenues over expenditures		<u>(463,955)</u>	<u>138,946</u>	<u>602,901</u>
Other financing sources (uses):				
Loan proceeds		337,259	337,259	
Transfers in		31,000	31,000	
Total other financing sources (uses)		<u>368,259</u>	<u>368,259</u>	
Change in fund balances		<u>(95,696)</u>	<u>507,205</u>	<u>602,901</u>
Fund balances (deficits), July 1, 2009	22,865	95,696	(1,826)	(97,522)
Fund balances, June 30, 2010	<u>\$ 22,865</u>	<u>\$</u>	<u>\$ 505,379</u>	<u>\$ 505,379</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - EMERGENCY MEDICAL SERVICES FUND
YEAR ENDED JUNE 30, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental state	\$ 20,400	\$ 20,400	\$ 20,400	\$
Investment income			12	12
Total revenues	<u>20,400</u>	<u>20,400</u>	<u>20,412</u>	<u>12</u>
Expenditures:				
Current -				
Public safety	8,200	21,191	17,339	3,852
Capital outlay	12,200	1,753	1,752	1
Total expenditures	<u>20,400</u>	<u>22,944</u>	<u>19,091</u>	<u>3,853</u>
Change in fund balances		<u>(2,544)</u>	<u>1,321</u>	<u>3,865</u>
Fund balances, July 1, 2009	791	2,544	2,544	
Fund balances, June 30, 2010	<u>\$ 791</u>	<u>\$</u>	<u>\$ 3,865</u>	<u>\$ 3,865</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - SUMMER LUNCH PROGRAM FUND
YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Original	Final	Actual
Revenues:			
Intergovernmental federal	\$	\$ 35,307	\$ 57,429
Total revenues		35,307	57,429
Expenditures:			
Current -			
Culture and recreation		79,843	70,259
Total expenditures		79,843	70,259
Change in fund balances		(44,536)	(12,830)
Fund balances (deficits), July 1, 2009		44,536	(26,456)
Fund balances (deficits), June 30, 2010	\$	\$	\$ (39,286)

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - ARRA EECBG FUND
YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Original	Final	
Revenues:			
Intergovernmental federal	\$	\$ 697,000	\$ 338,149
Total revenues		697,000	338,149
			(358,851)
Expenditures:			
Current -			
General government		275,591	75,580
Capital outlay		421,409	268,087
Total expenditures		697,000	343,667
			353,333
Change in fund balances			(5,518)
			(5,518)
Fund balances, July 1, 2009			
Fund balances (deficits), June 30, 2010	\$	\$	\$ (5,518)
			(5,518)

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - ENVIRONMENTAL GROSS RECEIPTS TAX FUND
YEAR ENDED JUNE 30, 2010

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Municipal and state shared taxes	\$ 466,258	\$ 466,258	\$ 625,188	\$ 158,930
Contributions and donations	16,537	16,537	16,538	1
Investment income	25,000	25,000	2,770	(22,230)
Total revenues	<u>507,795</u>	<u>507,795</u>	<u>644,496</u>	<u>136,701</u>
Expenditures:				
Current -				
Public works	183,522	221,260	105,395	115,865
Capital outlay	525,000	2,090,999	261,967	1,829,032
Total expenditures	<u>708,522</u>	<u>2,312,259</u>	<u>367,362</u>	<u>1,944,897</u>
Change in fund balances	<u>(200,727)</u>	<u>(1,804,464)</u>	<u>277,134</u>	<u>2,081,598</u>
Fund balances, July 1, 2009	418,868	1,804,464	1,621,210	(183,254)
Fund balances, June 30, 2010	<u>\$ 218,141</u>	<u>\$</u>	<u>\$ 1,898,344</u>	<u>\$ 1,898,344</u>

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CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - HIGHER EDUCATION GROSS RECEIPTS TAX
FUND
YEAR ENDED JUNE 30, 2010

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Municipal and state shared taxes	\$ 1,677,853	\$ 1,677,853	\$ 2,055,625	\$ 377,772
Investment income			4,096	4,096
Total revenues	<u>1,677,853</u>	<u>1,677,853</u>	<u>2,059,721</u>	<u>381,868</u>
Expenditures:				
Current -				
General government	<u>1,513,000</u>	<u>1,513,000</u>		<u>1,513,000</u>
Total expenditures	<u>1,513,000</u>	<u>1,513,000</u>		<u>1,513,000</u>
Change in fund balances	<u>164,853</u>	<u>164,853</u>	<u>2,059,721</u>	<u>1,894,868</u>
Fund balances, July 1, 2009	1,773,366	1,773,366	2,151,157	377,791
Fund balances, June 30, 2010	<u>\$ 1,938,219</u>	<u>\$ 1,938,219</u>	<u>\$ 4,210,878</u>	<u>\$ 2,272,659</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - MUNICIPAL ROAD FUND
YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Municipal and state shared taxes	\$ 632,100	\$ 697,765	\$ 640,860	\$ (56,905)
Investment income	100	500	348	(152)
Other revenues		10,091	23,134	13,043
Total revenues	<u>632,200</u>	<u>708,356</u>	<u>664,342</u>	<u>(44,014)</u>
Expenditures:				
Current -				
Public works	562,641	664,429	383,318	281,111
Capital outlay	81,000	244,505	49,461	195,044
Debt service -				
Principal	81,052	81,052	81,052	
Interest and fiscal charges	5,137	5,137	3,616	1,521
Total expenditures	<u>729,830</u>	<u>995,123</u>	<u>517,447</u>	<u>477,676</u>
Change in fund balances	<u>(97,630)</u>	<u>(286,767)</u>	<u>146,895</u>	<u>433,662</u>
Fund balances, July 1, 2009	154,657	323,274	340,282	17,008
Fund balances, June 30, 2010	<u>\$ 57,027</u>	<u>\$ 36,507</u>	<u>\$ 487,177</u>	<u>\$ 450,670</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - RECREATION DEVELOPMENT FUND
YEAR ENDED JUNE 30, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental state	\$	\$ 5,900	\$ 2,399	\$ (3,501)
Investment income		1,340	769	(571)
Other revenues		5,250	5,250	
Total revenues		12,490	8,418	(4,072)
Expenditures:				
Current -				
Culture and recreation		7,670	4,169	3,501
Capital outlay	50,000	801,326	476,497	324,829
Total expenditures	50,000	808,996	480,666	328,330
Excess (deficiency) of revenues over expenditures	(50,000)	(796,506)	(472,248)	324,258
Other financing sources (uses):				
Transfers in	35,000	35,000	35,000	
Transfers out		(15,460)	(15,460)	
Total other financing sources (uses)	35,000	19,540	19,540	
Change in fund balances	(15,000)	(776,966)	(452,708)	324,258
Fund balances, July 1, 2009	15,947	779,253	778,358	(895)
Fund balances, June 30, 2010	\$ 947	\$ 2,287	\$ 325,650	\$ 323,363

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - COMPUTER/SOFTWARE REPLACEMENT
FUND
YEAR ENDED JUNE 30, 2010

	<u>Budgeted Amounts</u>		Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>
Revenues:	\$	\$	\$
Total revenues			
Expenditures:			
Current -			
Change in fund balances	19,795	19,795	19,795
Total expenditures	<u>19,795</u>	<u>19,795</u>	<u>19,795</u>
Excess (deficiency) of revenues over expenditures	<u>(19,795)</u>	<u>(19,795)</u>	<u>19,795</u>
Fund balances, July 1, 2009	19,795	19,795	19,795
Fund balances, June 30, 2010	<u>\$</u>	<u>\$</u>	<u>\$ 19,795</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - EQUIPMENT REPLACEMENT FUND
YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ 50	\$ 50	\$ 11	\$ (39)
Total revenues	<u>50</u>	<u>50</u>	<u>11</u>	<u>(39)</u>
Expenditures:				
Capital outlay	50,120	50,120		50,120
Total expenditures	<u>50,120</u>	<u>50,120</u>		<u>50,120</u>
Excess (deficiency) of revenues over expenditures	<u>(50,070)</u>	<u>(50,070)</u>	<u>11</u>	<u>50,081</u>
Other financing sources (uses):				
Transfers in	50,000	50,000	50,000	
Total other financing sources (uses)	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	
Change in fund balances	<u>(70)</u>	<u>(70)</u>	<u>50,011</u>	<u>50,081</u>
Fund balances, July 1, 2009	70	70	70	
Fund balances, June 30, 2010	<u>\$</u>	<u>\$</u>	<u>\$ 50,081</u>	<u>\$ 50,081</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - DOMESTIC VIOLENCE RESPONSE FUND
YEAR ENDED JUNE 30, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental federal	\$	\$ 29,568	\$ 7,462	\$ (22,106)
Other revenues		2,400	2,400	
Total revenues		31,968	9,862	(22,106)
Expenditures:				
Current -				
Public safety	4,003	14,298	7,290	7,008
Total expenditures	4,003	14,298	7,290	7,008
Excess (deficiency) of revenues over expenditures	(4,003)	17,670	2,572	(15,098)
Other financing sources (uses):				
Transfers in		22,956	16,110	(6,846)
Total other financing sources (uses)		22,956	16,110	(6,846)
Change in fund balances	(4,003)	40,626	18,682	(21,944)
Fund balances (deficits), July 1, 2009	4,003		(18,682)	(18,682)
Fund balances, June 30, 2010	\$	\$ 40,626	\$	\$ (40,626)

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - HUD - CDBG FUND
YEAR ENDED JUNE 30, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental federal	\$ 323,044	\$ 610,035	\$ 184,285	\$ (425,750)
Total revenues	<u>323,044</u>	<u>610,035</u>	<u>184,285</u>	<u>(425,750)</u>
Expenditures:				
Current -				
Public works	323,067	407,129	178,071	229,058
Total expenditures	<u>323,067</u>	<u>407,129</u>	<u>178,071</u>	<u>229,058</u>
Change in fund balances	<u>(23)</u>	<u>202,906</u>	<u>6,214</u>	<u>(196,692)</u>
Fund balances (deficits), July 1, 2009	23		(731)	(731)
Fund balances, June 30, 2010	<u>\$</u>	<u>\$ 202,906</u>	<u>\$ 5,483</u>	<u>\$ (197,423)</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - CRIME VICTIMS ASSISTANCE FUND
YEAR ENDED JUNE 30, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental federal	\$ 45,781	\$ 143,173	\$ 107,789	\$ (35,384)
Total revenues	<u>45,781</u>	<u>143,173</u>	<u>107,789</u>	<u>(35,384)</u>
Expenditures:				
Current -				
Public safety	59,209	148,335	112,366	35,969
Total expenditures	<u>59,209</u>	<u>148,335</u>	<u>112,366</u>	<u>35,969</u>
Excess (deficiency) of revenues over expenditures	<u>(13,428)</u>	<u>(5,162)</u>	<u>(4,577)</u>	<u>585</u>
Other financing sources (uses):				
Transfers in	12,752	14,022	12,763	(1,259)
Total other financing sources (uses)	<u>12,752</u>	<u>14,022</u>	<u>12,763</u>	<u>(1,259)</u>
Change in fund balances	<u>(676)</u>	<u>8,860</u>	<u>8,186</u>	<u>(674)</u>
Fund balances (deficits), July 1, 2009	676		(10,589)	(10,589)
Fund balances (deficits), June 30, 2010	<u>\$</u>	<u>\$ 8,860</u>	<u>\$ (2,403)</u>	<u>\$ (11,263)</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - HUD - CDBG ARRA FUND
YEAR ENDED JUNE 30, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental federal	\$ 84,397	\$ 84,497	\$ 84,497	\$
Total revenues	<u>84,397</u>	<u>84,497</u>	<u>84,497</u>	
Expenditures:				
Current -				
Public works	84,397	84,497	84,497	
Total expenditures	<u>84,397</u>	<u>84,497</u>	<u>84,497</u>	
Change in fund balances				
Fund balances, July 1, 2009				
Fund balances, June 30, 2010	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL OBLIGATION BONDS FUND
YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property taxes	\$ 4,331,539	\$ 4,483,270	\$ 4,491,453	\$ 8,183
Investment income	10,000	4,000	2,341	(1,659)
Other revenues		23,825	47,650	23,825
Total revenues	<u>4,341,539</u>	<u>4,511,095</u>	<u>4,541,444</u>	<u>30,349</u>
Expenditures:				
Debt service -				
Principal	3,200,000	3,200,000	3,200,000	
Interest and fiscal charges	1,457,757	1,457,757	1,195,521	262,236
Total expenditures	<u>4,657,757</u>	<u>4,657,757</u>	<u>4,395,521</u>	<u>262,236</u>
Change in fund balances	<u>(316,218)</u>	<u>(146,662)</u>	<u>145,923</u>	<u>292,585</u>
Fund balances, July 1, 2009	4,080,265	4,080,265	3,893,758	(186,507)
Fund balances, June 30, 2010	<u>\$ 3,764,047</u>	<u>\$ 3,933,603</u>	<u>\$ 4,039,681</u>	<u>\$ 106,078</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GROSS RECEIPTS TAX REVENUE BONDS
SERIES 2003 FUND
YEAR ENDED JUNE 30, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Municipal and state shared taxes	\$ 647,000	\$ 647,000	\$ 529,206	\$ (117,794)
Investment income	1,000	1,000	157	(843)
Total revenues	<u>648,000</u>	<u>648,000</u>	<u>529,363</u>	<u>(118,637)</u>
Expenditures:				
Current -				
Other expenses	5,000	5,000	1,500	3,500
Debt service -				
Principal	595,000	595,000	595,000	
Interest and fiscal charges	<u>57,975</u>	<u>57,975</u>	<u>51,753</u>	<u>6,222</u>
Total expenditures	<u>657,975</u>	<u>657,975</u>	<u>648,253</u>	<u>9,722</u>
Change in fund balances	<u>(9,975)</u>	<u>(9,975)</u>	<u>(118,890)</u>	<u>(108,915)</u>
Fund balances, July 1, 2009	13,017	13,017	116,583	103,566
Fund balances (deficits), June 30, 2010	<u>\$ 3,042</u>	<u>\$ 3,042</u>	<u>\$ (2,307)</u>	<u>\$ (5,349)</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GROSS RECEIPTS TAX REVENUE BONDS
SERIES 2005 FUND
YEAR ENDED JUNE 30, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Municipal and state shared taxes	\$ 1,100,000	\$ 1,100,000	\$ 949,526	\$ (150,474)
Investment income	1,000	1,000	328	(672)
Total revenues	<u>1,101,000</u>	<u>1,101,000</u>	<u>949,854</u>	<u>(151,146)</u>
Expenditures:				
Current -				
Other expenses	5,000	5,000	1,500	3,500
Debt service -				
Principal	230,000	230,000	230,000	
Interest and fiscal charges	882,424	882,424	816,743	65,681
Total expenditures	<u>1,117,424</u>	<u>1,117,424</u>	<u>1,048,243</u>	<u>69,181</u>
Change in fund balances	<u>(16,424)</u>	<u>(16,424)</u>	<u>(98,389)</u>	<u>(81,965)</u>
Fund balances, July 1, 2009	77,475	77,475	195,858	118,383
Fund balances, June 30, 2010	<u>\$ 61,051</u>	<u>\$ 61,051</u>	<u>\$ 97,469</u>	<u>\$ 36,418</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - HP LOAN FUND
YEAR ENDED JUNE 30, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Municipal and state shared taxes	\$ 169,484	\$ 235,193	\$ 212,781	\$ (22,412)
Investment income	2,000	250	96	(154)
Total revenues	<u>171,484</u>	<u>235,443</u>	<u>212,877</u>	<u>(22,566)</u>
Expenditures:				
Debt service -				
Principal	175,000	175,000	175,000	
Interest and fiscal charges	263,233	263,233	244,081	19,152
Total expenditures	<u>438,233</u>	<u>438,233</u>	<u>419,081</u>	<u>19,152</u>
Excess (deficiency) of revenues over expenditures	<u>(266,749)</u>	<u>(202,790)</u>	<u>(206,204)</u>	<u>(3,414)</u>
Other financing sources (uses):				
Transfers in	266,749	183,177	177,976	(5,201)
Total other financing sources (uses)	<u>266,749</u>	<u>183,177</u>	<u>177,976</u>	<u>(5,201)</u>
Change in fund balances	<u></u>	<u>(19,613)</u>	<u>(28,228)</u>	<u>(8,615)</u>
Fund balances, July 1, 2009	19,613	19,613	70,116	50,503
Fund balances, June 30, 2010	<u>\$ 19,613</u>	<u>\$</u>	<u>\$ 41,888</u>	<u>\$ 41,888</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - HS LOAN FUND
YEAR ENDED JUNE 30, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Investment income	\$ 2,000	\$ 2,000	\$ 51	\$ (1,949)
Total revenues	<u>2,000</u>	<u>2,000</u>	<u>51</u>	<u>(1,949)</u>
Expenditures:				
Debt service -				
Interest and fiscal charges	232,421	232,421	215,312	17,109
Total expenditures	<u>232,421</u>	<u>232,421</u>	<u>215,312</u>	<u>17,109</u>
Excess (deficiency) of revenues over expenditures	<u>(230,421)</u>	<u>(230,421)</u>	<u>(215,261)</u>	<u>15,160</u>
Other financing sources (uses):				
Transfers in	230,421	230,421	230,421	
Total other financing sources (uses)	<u>230,421</u>	<u>230,421</u>	<u>230,421</u>	
Change in fund balances			<u>15,160</u>	<u>15,160</u>
Fund balances, July 1, 2009	17,182	17,182	75	(17,107)
Fund balances, June 30, 2010	<u>\$ 17,182</u>	<u>\$ 17,182</u>	<u>\$ 15,235</u>	<u>\$ (1,947)</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$	\$	\$ 261	\$ 261
Total revenues			261	261
Expenditures:				
Capital outlay	194,230	341,917	263,235	78,682
Total expenditures	194,230	341,917	263,235	78,682
Change in fund balances	(194,230)	(341,917)	(262,974)	78,943
Fund balances, July 1, 2009	227,945	375,632	375,632	
Fund balances, June 30, 2010	\$ 33,715	\$ 33,715	\$ 112,658	\$ 78,943

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - HP INFRASTRUCTURE FUND
YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Original	Final	Actual
Revenues:			
Investment income	\$	\$ 2,329	\$ 2,470
Total revenues		2,329	2,470
Expenditures:			
Capital outlay		2,997,650	2,489,767
Total expenditures		2,997,650	2,489,767
Excess (deficiency) of revenues over expenditures		(2,995,321)	(2,487,297)
Other financing sources (uses):			
Transfers out	(266,749)	(183,177)	(177,976)
Total other financing sources (uses)	(266,749)	(183,177)	(177,976)
Change in fund balances	(266,749)	(3,178,498)	(2,665,273)
Fund balances, July 1, 2009	305,899	3,178,498	2,946,225
Fund balances, June 30, 2010	\$ 39,150	\$	\$ 280,952

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - HS INFRASTRUCTURE FUND
YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Original	Final	Actual
Revenues:			
Investment income	\$	\$	\$ 3,702
Total revenues			3,702
Expenditures:			
Capital outlay		2,680,795	1,260,619
Total expenditures		2,680,795	1,260,619
Excess (deficiency) of revenues over expenditures		(2,680,795)	(1,256,917)
Other financing sources (uses):			
Transfers out	(230,421)	(230,421)	(230,421)
Total other financing sources (uses)	(230,421)	(230,421)	(230,421)
Change in fund balances	(230,421)	(2,911,216)	(1,487,338)
Fund balances, July 1, 2009	567,811	3,248,606	2,399,655
Fund balances, June 30, 2010	\$ 337,390	\$ 337,390	\$ 912,317

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - INFRASTRUCTURE FUND
YEAR ENDED JUNE 30, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental federal	\$	\$ 15,107,655	\$ 554,068	\$ (14,553,587)
Intergovernmental state		3,003,951	244,635	(2,759,316)
Intergovernmental county		150,000	150,000	
Investment income	25,000	2,823	1,651	(1,172)
Other revenues			7,250	7,250
Total revenues	<u>25,000</u>	<u>18,264,429</u>	<u>957,604</u>	<u>(17,306,825)</u>
Expenditures:				
Current -				
Public works		114,706	24,919	89,787
Capital outlay	<u>(789,425)</u>	<u>16,918,095</u>	<u>1,728,898</u>	<u>15,189,197</u>
Total expenditures	<u>(789,425)</u>	<u>17,032,801</u>	<u>1,753,817</u>	<u>15,278,984</u>
Excess (deficiency) of revenues over expenditures	<u>(764,425)</u>	<u>1,231,628</u>	<u>(796,213)</u>	<u>(2,027,841)</u>
Other financing sources (uses):				
Transfers out	<u>(868,400)</u>	<u>(3,263,968)</u>	<u>(3,263,966)</u>	<u>2</u>
Total other financing sources (uses)	<u>(868,400)</u>	<u>(3,263,968)</u>	<u>(3,263,966)</u>	<u>2</u>
Change in fund balances	<u>(1,632,825)</u>	<u>(2,032,340)</u>	<u>(4,060,179)</u>	<u>(2,027,839)</u>
Fund balances, July 1, 2009, as restated	282,872	2,069,060	3,507,760	1,438,700
Fund balances (deficits), June 30, 2010	<u>\$ (1,349,953)</u>	<u>\$ 36,720</u>	<u>\$ (552,419)</u>	<u>\$ (589,139)</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - BUILDING IMPROVEMENT FUND
YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$	\$	\$ 608	\$ 608
Other revenues			66,499	66,499
Total revenues			67,107	67,107
Other financing sources (uses):				
Transfers out	(467,131)	(592,131)	(592,131)	
Total other financing sources (uses)	(467,131)	(592,131)	(592,131)	
Change in fund balances	(467,131)	(592,131)	(525,024)	67,107
Fund balances, July 1, 2009	467,273	592,273	592,975	702
Fund balances, June 30, 2010	\$ 142	\$ 142	\$ 67,951	\$ 67,809

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - STATE APPROPRIATION CAPITAL
PROJECTS FUND
YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Original	Final	
Revenues:			
Intergovernmental state	\$	\$ 2,554,908	\$ 1,429,479
Total revenues		2,554,908	1,429,479
Expenditures:			
Current -			
General government		57,008	19,376
Capital outlay		2,182,749	1,272,980
Total expenditures		2,239,757	1,292,356
Excess (deficiency) of revenues over expenditures		315,151	137,123
Other financing sources (uses):			
Transfers in		26,488	26,488
Total other financing sources (uses)		26,488	26,488
Change in fund balances		341,639	163,611
Fund balances (deficits), July 1, 2009	1,580		(246,574)
Fund balances (deficits), June 30, 2010	\$ 1,580	\$ 341,639	\$ (82,963)

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - BOND CONSTRUCTION 2004 LIBRARY FUND
YEAR ENDED JUNE 30, 2010

	<u>Budgeted Amounts</u>		Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>
Revenues:			
Investment income	\$	\$	\$ 11
Total revenues			11
Expenditures:			
Capital outlay		12,465	12,465
Total expenditures		12,465	12,465
Change in fund balances		(12,465)	11
Fund balances, July 1, 2009		12,465	12,465
Fund balances, June 30, 2010	\$	\$	\$ 12,476

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - BOND CONSTRUCTION 2005 FUND
YEAR ENDED JUNE 30, 2010

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Investment income	\$	\$	\$ 54	\$ 54
Total revenues			54	54
Expenditures:				
Capital outlay	110	77,317	9	77,308
Total expenditures	110	77,317	9	77,308
Change in fund balances	(110)	(77,317)	45	77,362
Fund balances, July 1, 2009	110	77,317	31,557	(45,760)
Fund balances, June 30, 2010	\$	\$	\$ 31,602	\$ 31,602

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - BOND CONSTRUCTION 2006 AQUATICS FUND
YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Original	Final	Actual
Revenues:			
Investment income	\$	\$	\$ 109
Total revenues			109
Expenditures:			
Current -			
Culture and recreation		28,737	7,532
Capital outlay	3,362	92,630	17,576
Total expenditures	3,362	121,367	25,108
Change in fund balances	(3,362)	(121,367)	(24,999)
Fund balances, July 1, 2009	3,362	121,367	121,367
Fund balances, June 30, 2010	\$	\$	\$ 96,368

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - ROAD IMPACT FEES FUND
YEAR ENDED JUNE 30, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Impact fees	\$ 830,000	\$ 1,406,398	\$ 1,556,206	\$ 149,808
Investment income	15,000	3,602	3,323	(279)
Total revenues	<u>845,000</u>	<u>1,410,000</u>	<u>1,559,529</u>	<u>149,529</u>
Expenditures:				
Capital outlay	800,000	2,469,517	496,902	1,972,615
Debt service -				
Principal	90,608	90,608	90,608	
Interest and fiscal charges	13,337	13,337	11,358	1,979
Total expenditures	<u>903,945</u>	<u>2,573,462</u>	<u>598,868</u>	<u>1,974,594</u>
Excess (deficiency) of revenues over expenditures	<u>(58,945)</u>	<u>(1,163,462)</u>	<u>960,661</u>	<u>2,124,123</u>
Other financing sources (uses):				
Transfers out	(24,899)	(42,191)	(42,191)	
Total other financing sources (uses)	<u>(24,899)</u>	<u>(42,191)</u>	<u>(42,191)</u>	
Change in fund balances	<u>(83,844)</u>	<u>(1,205,653)</u>	<u>918,470</u>	<u>2,124,123</u>
Fund balances, July 1, 2009	1,034,691	1,726,786	1,722,027	(4,759)
Fund balances, June 30, 2010	<u>\$ 950,847</u>	<u>\$ 521,133</u>	<u>\$ 2,640,497</u>	<u>\$ 2,119,364</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - TRAIL IMPACT FEES FUND
YEAR ENDED JUNE 30, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Impact fees	\$ 13,000	\$ 16,745	\$ 20,187	\$ 3,442
Investment income		100	116	16
Total revenues	<u>13,000</u>	<u>16,845</u>	<u>20,303</u>	<u>3,458</u>
Expenditures:				
Capital outlay	<u>20,000</u>	<u>128,225</u>		<u>128,225</u>
Total expenditures	<u>20,000</u>	<u>128,225</u>		<u>128,225</u>
Excess (deficiency) of revenues over expenditures	<u>(7,000)</u>	<u>(111,380)</u>	<u>20,303</u>	<u>131,683</u>
Other financing sources (uses):				
Transfers out	<u>(390)</u>	<u>(502)</u>	<u>(502)</u>	
Total other financing sources (uses)	<u>(390)</u>	<u>(502)</u>	<u>(502)</u>	
Change in fund balances	<u>(7,390)</u>	<u>(111,882)</u>	<u>19,801</u>	<u>131,683</u>
Fund balances, July 1, 2009	14,966	123,191	123,191	
Fund balances, June 30, 2010	<u>\$ 7,576</u>	<u>\$ 11,309</u>	<u>\$ 142,992</u>	<u>\$ 131,683</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - PARK IMPACT FEES FUND
YEAR ENDED JUNE 30, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Impact fees	\$ 240,000	\$ 172,487	\$ 102,476	\$ (70,011)
Investment income	5,000	1,870	1,124	(746)
Total revenues	<u>245,000</u>	<u>174,357</u>	<u>103,600</u>	<u>(70,757)</u>
Expenditures:				
Capital outlay	<u>255,000</u>	<u>817,841</u>	<u>451,148</u>	<u>366,693</u>
Total expenditures	<u>255,000</u>	<u>817,841</u>	<u>451,148</u>	<u>366,693</u>
Excess (deficiency) of revenues over expenditures	<u>(10,000)</u>	<u>(643,484)</u>	<u>(347,548)</u>	<u>295,936</u>
Other financing sources (uses):				
Transfers out	<u>(7,350)</u>	<u>(5,175)</u>	<u>(5,175)</u>	
Total other financing sources (uses)	<u>(7,350)</u>	<u>(5,175)</u>	<u>(5,175)</u>	
Change in fund balances	<u>(17,350)</u>	<u>(648,659)</u>	<u>(352,723)</u>	<u>295,936</u>
Fund balances, July 1, 2009	370,579	1,001,888	1,001,692	(196)
Fund balances, June 30, 2010	<u>\$ 353,229</u>	<u>\$ 353,229</u>	<u>\$ 648,969</u>	<u>\$ 295,740</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - PUBLIC SAFETY IMPACT FEES FUND
YEAR ENDED JUNE 30, 2010

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Impact fees	\$ 340,000	\$ 310,369	\$ 335,865	\$ 25,496
Investment income	8,000	1,230	770	(460)
Total revenues	<u>348,000</u>	<u>311,599</u>	<u>336,635</u>	<u>25,036</u>
Expenditures:				
Capital outlay	70,000	683,747	290,138	393,609
Total expenditures	<u>70,000</u>	<u>683,747</u>	<u>290,138</u>	<u>393,609</u>
Excess (deficiency) of revenues over expenditures	<u>278,000</u>	<u>(372,148)</u>	<u>46,497</u>	<u>418,645</u>
Other financing sources (uses):				
Transfers out	(10,200)	(9,311)	(9,311)	
Total other financing sources (uses)	<u>(10,200)</u>	<u>(9,311)</u>	<u>(9,311)</u>	
Change in fund balances	<u>267,800</u>	<u>(381,459)</u>	<u>37,186</u>	<u>418,645</u>
Fund balances, July 1, 2009	249,220	582,967	582,967	
Fund balances, June 30, 2010	<u>\$ 517,020</u>	<u>\$ 201,508</u>	<u>\$ 620,153</u>	<u>\$ 418,645</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - DRAINAGE IMPACT FEES FUND
YEAR ENDED JUNE 30, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Impact fees	\$ 450,000	\$ 210,052	\$ 237,198	\$ 27,146
Investment income	5,000	1,663	1,219	(444)
Total revenues	<u>455,000</u>	<u>211,715</u>	<u>238,417</u>	<u>26,702</u>
Expenditures:				
Capital outlay	270,000	942,351	344,844	597,507
Total expenditures	<u>270,000</u>	<u>942,351</u>	<u>344,844</u>	<u>597,507</u>
Excess (deficiency) of revenues over expenditures	<u>185,000</u>	<u>(730,636)</u>	<u>(106,427)</u>	<u>624,209</u>
Other financing sources (uses):				
Transfers out	(13,500)	(6,301)	(6,301)	
Total other financing sources (uses)	<u>(13,500)</u>	<u>(6,301)</u>	<u>(6,301)</u>	
Change in fund balances	<u>171,500</u>	<u>(736,937)</u>	<u>(112,728)</u>	<u>624,209</u>
Fund balances, July 1, 2009	443,075	933,312	933,312	
Fund balances, June 30, 2010	<u>\$ 614,575</u>	<u>\$ 196,375</u>	<u>\$ 820,584</u>	<u>\$ 624,209</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - SOLID WASTE DISPOSAL-INDIGENT FUND
YEAR ENDED JUNE 30, 2010

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Contributions and donations	\$ 12,100	\$ 12,100	\$ 12,000	\$ (100)
Investment income			4	4
Total revenues	<u>12,100</u>	<u>12,100</u>	<u>12,004</u>	<u>(96)</u>
Expenditures:				
Current -				
General government	<u>22,556</u>	<u>22,556</u>	<u>20,500</u>	<u>2,056</u>
Total expenditures	<u>22,556</u>	<u>22,556</u>	<u>20,500</u>	<u>2,056</u>
Change in fund balances	<u>(10,456)</u>	<u>(10,456)</u>	<u>(8,496)</u>	<u>1,960</u>
Fund balances, July 1, 2009	10,456	10,456	10,456	
Fund balances, June 30, 2010	<u>\$</u>	<u>\$</u>	<u>\$ 1,960</u>	<u>\$ 1,960</u>

CITY OF RIO RANCHO, NEW MEXICO
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - ARRA STIMULUS ROADS FUND
YEAR ENDED JUNE 30, 2010

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental federal	\$	\$ 14,000,000	\$ 9,889,031	\$ (4,110,969)
Total revenues		<u>14,000,000</u>	<u>9,889,031</u>	<u>(4,110,969)</u>
Expenditures:				
Capital outlay		14,000,000	11,023,101	2,976,899
Total expenditures		<u>14,000,000</u>	<u>11,023,101</u>	<u>2,976,899</u>
Change in fund balances			<u>(1,134,070)</u>	<u>(1,134,070)</u>
Fund balances, July 1, 2009				
Fund balances (deficits), June 30, 2010	<u>\$</u>	<u>\$</u>	<u>\$ (1,134,070)</u>	<u>\$ (1,134,070)</u>

CITY OF RIO RANCHO, NEW MEXICO
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - BOND CONSTRUCTION 2009 ROADS FUND
YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Original	Final	
Revenues:			
Investment income	\$	\$ 1,500	\$ 6,028
Total revenues		1,500	6,028
Expenditures:			
Current -			
Public works	45,621	50,794	44,609
Capital outlay		25,244,484	9,520,340
Debt service -			
Bond issuance costs		50,250	50,249
Total expenditures	45,621	25,345,528	9,615,198
Change in fund balances	(45,621)	(25,344,028)	(9,609,170)
Fund balances, July 1, 2009	45,621	25,344,028	25,118,824
Fund balances, June 30, 2010	\$	\$	\$ 15,509,654

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND NET ASSETS - BUDGET AND ACTUAL
UTILITIES FUND
YEAR ENDED JUNE 30, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Charges for services - water	\$ 16,406,410	\$ 16,346,410	\$ 18,756,541	\$ 2,410,131
Charges for services - wastewater	12,391,600	12,331,600	13,141,837	810,237
Interest on investments	297,500	119,245	70,687	(48,558)
Intergovernmental federal		9,794,185	456,354	(9,337,831)
Intergovernmental state		5,587,651	503,722	(5,083,929)
Intergovernmental county		1,168,091	907,751	(260,340)
Impact fees	1,170,000	1,135,510	1,049,498	(86,012)
Loan Proceeds		70,000	70,000	
Other revenues			840,208	840,208
Total revenues	<u>30,265,510</u>	<u>46,552,692</u>	<u>35,796,598</u>	<u>(10,756,094)</u>
Expenditures:				
Operations	17,996,294	19,199,238	16,669,362	2,529,876
Capital outlay	3,955,902	70,298,670	22,136,438	48,162,232
Debt service -				
Principal	5,889,416	5,889,416	5,889,416	
Interest and fiscal charges	5,430,031	5,437,373	6,012,630	(575,257)
Other expenditures			208,076	(208,076)
Total expenditures	<u>33,271,643</u>	<u>100,824,697</u>	<u>50,915,922</u>	<u>49,908,775</u>
Excess of revenues over (under) expenditures	<u>\$ (3,006,133)</u>	<u>\$ (54,272,005)</u>	<u>(15,119,324)</u>	<u>\$ (39,152,681)</u>
Revenues (expenses) not budgeted:				
Amortization			63,554	
Depreciation			(4,476,731)	
Changes to conform to generally accepted accounting principles:				
Principal payment on bonds			5,889,416	
Loan proceeds			(70,000)	
Capital contributions			5,009,533	
Capital outlay			22,136,438	
Changes in Net Assets as reported in the Statement of Revenues, Expenses and Changes in Fund Net Assets			<u>\$ 13,432,886</u>	

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND NET ASSETS - BUDGET AND ACTUAL
MULTI-PURPOSE EVENT CENTER FUND
YEAR ENDED JUNE 30, 2010

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Charges for services	\$ 900,000	\$ 900,000	\$ 581,776	\$ (318,224)
Interest on investments	50,000	50,000	5,207	(44,793)
Intergovernmental	<u>2,185,000</u>	<u>2,185,000</u>	<u>2,530,470</u>	<u>345,470</u>
Total revenues	<u>3,135,000</u>	<u>3,135,000</u>	<u>3,117,453</u>	<u>(17,547)</u>
Expenditures:				
Operations	150,000	150,000	98,044	51,956
Capital outlay				
Debt service -				
Principal	1,215,000	1,215,000	1,215,000	
Interest and fiscal charges	<u>1,796,651</u>	<u>1,796,651</u>	<u>1,655,427</u>	<u>141,224</u>
Total expenditures	<u>3,161,651</u>	<u>3,161,651</u>	<u>2,968,471</u>	<u>193,180</u>
Excess of revenues over (under) expenditures	<u>\$ (26,651)</u>	<u>\$ (26,651)</u>	148,982	<u>\$ (175,633)</u>
Revenues (expenses) not budgeted:				
Amortization			(39,217)	
Depreciation			(867,982)	
Changes to conform to generally accepted accounting principles:				
Principal payment on bonds			1,215,000	
Capital contributions			<u>39,987</u>	
Changes in Net Assets as reported in the Statement of Revenues, Expenses and Changes in Fund Net Assets			<u>\$ 496,770</u>	

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AGENCY FUNDS

Rio Metro Fund – To account for Para-transit fees collected on behalf of Rio Metro and the reimbursement of bus maintenance costs associated with Rio Metro.

Special Assessment District Operations Fund – To account for Special Assessment District administrative fees which may be used for collection or other expenditures related to the administration of Special Assessment Districts.

Special Assessment District VIII Bonds Fund – To account for funds held by the City as a paying agent of the special assessment district eight projects debt service.

Special Assessment District VI Bonds Fund – To account for funds held by the City as a paying agent of the special assessment district six projects debt service.

Special Assessment District VII Bonds Fund – To account for funds held by the City as a paying agent of the special assessment district seven projects debt service.

Special Assessment District V Bonds Fund – To account for funds held by the City as a paying agent of the special assessment district five projects debt service.

Municipal Court Fund – To account for collections and payments of court fines, criminal bonds and other fees from and on behalf of the public.

Motor Vehicle Division Fund – To account for license fees and revenue collected by the City as agent for the Motor Vehicle Division, State of New Mexico as allowed by New Mexico State Statute, Section 66.

Gross Receipts Incentive Program (GRIP) Fund – To account for funds held by the City for reimbursement to retail businesses which generate significant gross receipts tax revenue to the City.

Rio Rancho Economic Development Fund – To account for contributions from builders for the Rio Rancho Economic Development Corporation. The fund is a pass-through fund; all revenues collected are remitted to RREDC.

CITY OF RIO RANCHO, NEW MEXICO
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
ALL AGENCY FUNDS
JUNE 30, 2010

	Rio Metro Fund	Special Assessment District Operations Fund	Special Assessment District VIII Bonds	Special Assessment District VI Bonds Fund
<u>ASSETS</u>				
Cash and investments	\$ (4,665)	\$ 5,228	\$ 250,190	\$ 283,897
Total assets	<u>\$ (4,665)</u>	<u>\$ 5,228</u>	<u>\$ 250,190</u>	<u>\$ 283,897</u>
<u>LIABILITIES</u>				
Deposits held for others	(4,665)	5,228	250,190	283,897
Total liabilities	<u>\$ (4,665)</u>	<u>\$ 5,228</u>	<u>\$ 250,190</u>	<u>\$ 283,897</u>

Special Assessment District VII Bonds Fund	Special Assessment District V Bonds Fund	Municipal Court Fund	Motor Vehicle Division Fund	Gross Receipts Incentive Program (GRIP) Fund	Rio Rancho Economic Development Fund	Totals
\$ 880,015	\$ 9,387	\$ 18,321	\$ 3,158	\$	\$	\$ 1,445,531
<u>\$ 880,015</u>	<u>\$ 9,387</u>	<u>\$ 18,321</u>	<u>\$ 3,158</u>	<u>\$</u>	<u>\$</u>	<u>\$ 1,445,531</u>
880,015	9,387	18,321	3,158			1,445,531
<u>\$ 880,015</u>	<u>\$ 9,387</u>	<u>\$ 18,321</u>	<u>\$ 3,158</u>	<u>\$</u>	<u>\$</u>	<u>\$ 1,445,531</u>

CITY OF RIO RANCHO, NEW MEXICO
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS
YEAR ENDED JUNE 30, 2010

	<u>Balance</u> <u>July 1, 2009</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2010</u>
<u>RIO METRO FUND</u>				
<u>Assets</u>				
Cash and investments	\$ -	\$ 52,441	\$ 57,106	\$ (4,665)
Total assets	<u>\$ -</u>	<u>\$ 52,441</u>	<u>\$ 57,106</u>	<u>\$ (4,665)</u>
<u>Liabilities</u>				
Deposits held for others	\$ -	\$ 52,441	\$ 57,106	\$ (4,665)
Total liabilities	<u>\$ -</u>	<u>\$ 52,441</u>	<u>\$ 57,106</u>	<u>\$ (4,665)</u>
<u>SPECIAL ASSESSMENT DISTRICT OPERATIONS FUND</u>				
<u>Assets</u>				
Cash and investments	\$ 2,473	\$ 52,907	\$ 50,152	\$ 5,228
Total assets	<u>\$ 2,473</u>	<u>\$ 52,907</u>	<u>\$ 50,152</u>	<u>\$ 5,228</u>
<u>Liabilities</u>				
Deposits held for others	\$ 2,473	\$ 52,907	\$ 50,152	\$ 5,228
Total liabilities	<u>\$ 2,473</u>	<u>\$ 52,907</u>	<u>\$ 50,152</u>	<u>\$ 5,228</u>
<u>SPECIAL ASSESSMENT DISTRICT VIII BONDS</u>				
<u>Assets</u>				
Cash and investments	\$ -	\$ 1,713,620	\$ 1,463,430	\$ 250,190
Total assets	<u>\$ -</u>	<u>\$ 1,713,620</u>	<u>\$ 1,463,430</u>	<u>\$ 250,190</u>
<u>Liabilities</u>				
Deposits held for others	\$ -	\$ 1,713,620	\$ 1,463,430	\$ 250,190
Total liabilities	<u>\$ -</u>	<u>\$ 1,713,620</u>	<u>\$ 1,463,430</u>	<u>\$ 250,190</u>
<u>SPECIAL ASSESSMENT DISTRICT VI BONDS</u>				
<u>Assets</u>				
Cash and investments	\$ 791,618	\$ 768,273	\$ 1,275,994	\$ 283,897
Total assets	<u>\$ 791,618</u>	<u>\$ 768,273</u>	<u>\$ 1,275,994</u>	<u>\$ 283,897</u>
<u>Liabilities</u>				
Deposits held for others	\$ 791,618	\$ 768,273	\$ 1,275,994	\$ 283,897
Total liabilities	<u>\$ 791,618</u>	<u>\$ 768,273</u>	<u>\$ 1,275,994</u>	<u>\$ 283,897</u>

	Balance July 1, 2009	Additions	Deductions	Balance June 30, 2010
<u>SPECIAL ASSESSMENT DISTRICT VII BONDS</u>				
<u>Assets</u>				
Cash and investments	\$ 717,266	\$ 7,555,619	\$ 7,392,870	\$ 880,015
Total assets	<u>\$ 717,266</u>	<u>\$ 7,555,619</u>	<u>\$ 7,392,870</u>	<u>\$ 880,015</u>
<u>Liabilities</u>				
Deposits held for others	\$ 717,266	\$ 7,555,619	\$ 7,392,870	\$ 880,015
Total liabilities	<u>\$ 717,266</u>	<u>\$ 7,555,619</u>	<u>\$ 7,392,870</u>	<u>\$ 880,015</u>
<u>SPECIAL ASSESSMENT DISTRICT V BONDS</u>				
<u>Assets</u>				
Cash and investments	\$ 4,013	\$ 80,162	\$ 74,788	\$ 9,387
Total assets	<u>\$ 4,013</u>	<u>\$ 80,162</u>	<u>\$ 74,788</u>	<u>\$ 9,387</u>
<u>Liabilities</u>				
Deposits held for others	\$ 4,013	\$ 80,162	\$ 74,788	\$ 9,387
Total liabilities	<u>\$ 4,013</u>	<u>\$ 80,162</u>	<u>\$ 74,788</u>	<u>\$ 9,387</u>
<u>MUNICIPAL COURT FUND</u>				
<u>Assets</u>				
Cash and investments	\$ 12,991	\$ 74,423	\$ 69,093	\$ 18,321
Total assets	<u>\$ 12,991</u>	<u>\$ 74,423</u>	<u>\$ 69,093</u>	<u>\$ 18,321</u>
<u>Liabilities</u>				
Deposits held for others	\$ 12,991	\$ 74,423	\$ 69,093	\$ 18,321
Total liabilities	<u>\$ 12,991</u>	<u>\$ 74,423</u>	<u>\$ 69,093</u>	<u>\$ 18,321</u>
<u>MOTOR VEHICLE DIVISION FUND</u>				
<u>Assets</u>				
Cash and investments	\$ 3,257	\$ 1,803,833	\$ 1,803,932	\$ 3,158
Total assets	<u>\$ 3,257</u>	<u>\$ 1,803,833</u>	<u>\$ 1,803,932</u>	<u>\$ 3,158</u>
<u>Liabilities</u>				
Deposits held for others	\$ 3,257	\$ 1,803,833	\$ 1,803,932	\$ 3,158
Total liabilities	<u>\$ 3,257</u>	<u>\$ 1,803,833</u>	<u>\$ 1,803,932</u>	<u>\$ 3,158</u>

	Balance July 1, 2009	Additions	Deductions	Balance June 30, 2010
<u>GROSS RECEIPTS INCENTIVE PROGRAM (GRIP) FUND</u>				
<u>Assets</u>				
Cash and investments	\$ 21,491	\$ 211,236	\$ 232,727	\$ -
Total assets	<u>\$ 21,491</u>	<u>\$ 211,236</u>	<u>\$ 232,727</u>	<u>\$ -</u>
<u>Liabilities</u>				
Deposits held for others	\$ 21,491	\$ 211,236	\$ 232,727	\$ -
Total liabilities	<u>\$ 21,491</u>	<u>\$ 211,236</u>	<u>\$ 232,727</u>	<u>\$ -</u>
<u>RIO RANCHO ECONOMIC DEVELOPMENT FUND</u>				
<u>Assets</u>				
Cash and investments	\$ -	\$ 8,325	\$ 8,325	\$ -
Total assets	<u>\$ -</u>	<u>\$ 8,325</u>	<u>\$ 8,325</u>	<u>\$ -</u>
<u>Liabilities</u>				
Deposits held for others	\$ -	\$ 8,325	\$ 8,325	\$ -
Total liabilities	<u>\$ -</u>	<u>\$ 8,325</u>	<u>\$ 8,325</u>	<u>\$ -</u>
<u>TOTAL AGENCY FUNDS</u>				
<u>Assets</u>				
Cash and investments	\$ 1,553,109	\$ 12,320,839	\$ 12,428,417	\$ 1,445,531
Total assets	<u>\$ 1,553,109</u>	<u>\$ 12,320,839</u>	<u>\$ 12,428,417</u>	<u>\$ 1,445,531</u>
<u>Liabilities</u>				
Deposits held for others	\$ 1,553,109	\$ 12,320,839	\$ 12,428,417	\$ 1,445,531
Total liabilities	<u>\$ 1,553,109</u>	<u>\$ 12,320,839</u>	<u>\$ 12,428,417</u>	<u>\$ 1,445,531</u>

**OTHER SUPPLEMENTAL INFORMATION REQUIRED
BY THE NEW MEXICO STATE AUDITOR**

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CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF DEPOSIT AND INVESTMENT ACCOUNTS
AND PLEDGED COLLATERAL
June 30, 2010

DEPOSIT ACCOUNTS:

Financial Institution:		Balances	
Account Name	Account Type	Reconciled	On Deposit
Wells Fargo			
Operating	Checking	\$ 39,876,628	\$ 38,180,584
Operating	Savings	3,585,831	3,585,831
Operating	NOW Savings	8,811,772	8,811,772
Pork n Brew	Checking	-	-
Motor Vehicle	Checking	3,158	50,105
Municipal Court - Bond	Checking	18,321	20,480
Total Wells Fargo Deposit Accounts		<u>52,295,710</u>	<u>50,648,772</u>
Total Deposit Accounts		<u>\$ 52,295,710</u>	<u>\$ 50,648,772</u>

INVESTMENT ACCOUNTS

Financial Institution:			
Account Name	Account Type	Cost	Market
State of New Mexico			
Local Government Investment Pool	Investment	\$ 3,039,121	\$ 3,039,121
Total State of New Mexico Investment Accounts		<u>3,039,121</u>	<u>3,039,121</u>
Wells Fargo Bank			
Federal Home Loan Bank (Multi-Step Coupon Bond)	Investment	6,065,000	6,065,000
Total Wells Fargo Bank Investment Accounts		<u>6,065,000</u>	<u>6,065,000</u>
Total Investment Accounts		<u>\$ 9,104,121</u>	<u>\$ 9,104,121</u>

PLEDGED COLLATERAL

Custodian	Security	CUSIP Number	Location	Maturity Date	Fair Market Value
Wells Fargo	FNCL	31371MU96	San Francisco, CA	07/01/36	9,180,771
Wells Fargo	FNCL	31412FMN0	San Francisco, CA	04/01/37	25,121,631
Wells Fargo	FNCL	31414EMS0	San Francisco, CA	06/01/38	19,443,010
Total Pledged Collateral					<u>\$ 53,745,412</u>

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CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF JOINT POWERS AGREEMENTS
JUNE 30, 2010

Participants: New Mexico Energy, Minerals, and Natural Resources Department,
State Forestry Division (EMNRD)

Responsible Party: EMNRD

Description: The control of timer, grass, and woodland fires in and adjacent to suburban areas is essential to an effective fire control program ("Program"). The City and EMNRD agree to maintain, in accordance with the "Program," to provide a cooperative fire protection system covering any or all private, County, non-municipal, and state lands within or adjacent to the City.

Date of Agreement: 7/1/2006 to 7/1/2011

Total Amount/City Share: Cost shared per occurrence

Fiscal Year 2010 Amount: \$-0-

Audit Responsibility: City and EMNRD

Participants: City of Rio Rancho, County of Sandoval, Village of Corrales, Town of Bernalillo, and Pueblo of Santa Ana

Responsible Party: Sandoval County Regional Emergency Communications Center (SCRECC)

Description: Operating, administering, and maintaining a joint enhanced 911 Regional Communications Center to provide emergency telephone access for the citizens of the parties' agreement and to provide for the emergency communications needs of the public safety agencies of the parties' agreement.

Dates of Agreement: 8/25/08-indefinite

Total Amount/City Share: 50.8930%

Fiscal Year 2010 Amount: \$1,240,118

Audit Responsibility: Sandoval County Regional Emergency Communications Center Board.

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF JOINT POWERS AGREEMENTS
JUNE 30, 2010
(Cont'd)

Participants: New Mexico Self-Insurer's Fund (NMSIF)

Responsible Party: The Board of Trustees

Description: To permit the members joining herein to make a more efficient use of their powers and resources by cooperating on a basis that will be of mutual advantage; and to provide a procedure for securing benefits, services, indemnification or protection for members and their employees relating to insurance or self-insurance.

Dates of Agreement: 7/1/96 – indefinite.

Total Amount/City Share: City share 100%.

Fiscal Year 2010 Amount: \$1,140,652

Audit Responsibility: NMSIF

Participants: New Mexico Taxation & Revenue Department

Responsible Party: N/A

Description: Appointment as agent for issuance of Tax ID

Dates of Agreement: 08/01/1988 - indefinite

Total Amount/City Share: N/A

Fiscal Year 2010 Amount: N/A

Audit Responsibility: N/A

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF JOINT POWERS AGREEMENTS
JUNE 30, 2010
(Concl'd)

Participants: New Mexico Energy, Minerals, and Natural Resources Department,
State Forestry Division (EMNRD)

Responsible Party: EMNRD

Description: Use of inmate crews to perform natural resource improvements to City
property and provide vocational training for inmates classified by the
Corrections Department as minimum-security inmates.

Dates of Agreement: December 1, 2003, until terminated by either party

Total Amount/City Share: N/A

Fiscal Year 2010 Amount: N/A

Audit Responsibility: N/A

Participants: New Mexico Energy, Minerals, and Natural Resources Department,
State Forestry Division (EMNRD)

Responsible Party: EMNRD

Description: EMNRD is responsible for the suppression of wildfires on state and
non-municipal private lands and is authorized to provide assistance to
equip local firefighting forces to suppress fires in rural areas. Law
provides that EMNRD can purchase wildland fire safety gear through
the federal supply schedules of the General Service Administration.

Dates of Agreement: March 25, 1998, until terminated by either party

Total Amount/City Share: N/A

Fiscal Year 2010 Amount: N/A

Audit Responsibility: N/A

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STATISTICAL SECTION

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STATISTICAL SECTION

This part of the City of Rio Rancho's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<u>CONTENTS</u>	<u>Page</u>
FINANCIAL TRENDS	209
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
REVENUE CAPACITY	216
These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.	
DEBT CAPACITY	221
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
DEMOGRAPHIC AND ECONOMIC INFORMATION	226
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.	
OPERATING INFORMATION	230
These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented Statement 34 in fiscal year 2003; schedules presenting government-wide information include information beginning in that year.

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City of Rio Rancho, New Mexico

Net Assets By Component

Last Eight Years

(accrual basis of accounting)

Schedule 1

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
Governmental activities								
Invested in capital assets, net of related debt	\$ 20,680,510	\$ 27,306,972	\$ 98,222,797	\$ 159,084,358	\$ 184,408,573	\$ 197,267,351	\$ 206,205,225	\$ 233,285,141
Restricted	4,839,243	5,203,879	30,233,533	36,157,574	19,344,282	8,797,171	8,006,271	9,465,808
Unrestricted	12,483,992	15,762,666	(1,967,967)	653,855	18,443,967	22,168,709	17,829,165	15,843,998
Total governmental activities net assets	\$ 38,003,745	\$ 48,273,517	\$ 126,488,363	\$ 195,895,787	\$ 222,196,822	\$ 228,233,231	\$ 232,040,661	\$ 258,594,947
Business-type activities								
Invested in capital assets, net of related debt	\$ (3,234,236)	\$ 317,688	\$ 18,092,619	\$ 45,520,647	\$ 57,733,951	\$ 72,484,053	\$ 108,895,574	\$ 122,367,287
Restricted	2,675,000	2,985,858	3,615,705	8,378,213	11,581,655	11,284,077	8,813,942	9,111,523
Unrestricted	17,738,726	19,425,371	22,040,446	20,805,858	19,686,293	26,649,899	21,069,336	21,579,698
Total business-type activities net assets	\$ 17,179,490	\$ 22,728,917	\$ 43,748,770	\$ 74,704,718	\$ 89,001,899	\$ 110,418,029	\$ 138,778,852	\$ 153,058,508
Primary government								
Invested in capital assets, net of related debt	\$ 17,446,274	\$ 27,624,660	\$ 116,315,416	\$ 204,605,005	\$ 242,142,524	\$ 269,751,404	\$ 315,100,799	\$ 355,652,428
Restricted	7,514,243	8,189,737	33,849,238	44,535,787	30,925,937	20,081,248	16,820,213	18,577,331
Unrestricted	30,222,718	35,188,037	20,072,479	21,459,713	38,130,260	48,818,608	38,898,501	37,423,696
Total primary government net assets	\$ 55,183,235	\$ 71,002,434	\$ 170,237,133	\$ 270,600,505	\$ 311,198,721	\$ 338,651,260	\$ 370,819,513	\$ 411,653,455

Source: The City's Financial Records, Financial Services Department

Notes: The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003. The significant increase in net assets in fiscal year 2005 is due to the addition of infrastructure assets.

City of Rio Rancho, New Mexico
Changes in Net Assets
Last Eight Years
(accrual basis of accounting)

Schedule 2

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
Expenses								
Governmental activities:								
General government	\$ 6,115,635	\$ 4,195,285	\$ 4,274,259	\$ 4,749,168	\$ 9,446,698	\$ 10,106,998	\$ 8,726,702	\$ 8,667,435
Public safety	12,485,446	14,207,384	15,528,740	18,308,571	22,755,627	30,453,273	28,644,454	36,265,064
Public works	8,159,140	4,309,312	9,488,494	12,893,315	15,388,104	18,078,174	16,119,562	14,926,671
Culture and recreation	5,525,730	5,810,516	6,216,143	7,383,200	8,877,320	9,478,686	10,277,960	9,497,987
Economic development	1,227,959	1,440,044	2,029,354	2,626,428	2,944,345	3,507,872	3,477,853	2,672,473
Interest on long-term debt	744,561	660,836	659,268	1,323,496	1,943,996	1,583,622	1,918,399	2,588,532
Total government activities expenses	34,258,471	30,623,377	38,196,258	47,284,178	61,356,090	73,208,625	69,164,930	74,618,162
Business-type activities:								
Water	8,925,793	8,690,738	9,752,369	11,898,363	10,763,072	12,326,747	11,894,252	11,261,251
Wastewater	6,852,884	6,828,437	7,062,060	7,562,599	8,739,795	11,406,457	12,831,006	16,041,994
Event Center	-	-	292	1,663,068	2,682,495	2,116,636	1,430,731	130,200
Total business-type activities expenses	15,778,677	15,519,175	16,814,721	21,124,030	22,185,362	25,849,840	26,155,989	27,433,445
Total primary government expenses	\$ 50,037,148	\$ 46,142,552	\$ 55,010,979	\$ 68,408,208	\$ 83,541,452	\$ 99,058,465	\$ 95,320,919	\$ 102,051,607
Program revenues								
Governmental activities:								
Charge for services								
General government	\$ 553,585	\$ 891,490	\$ 1,127,678	\$ 1,321,470	\$ 1,234,218	\$ 1,304,678	\$ 1,324,081	\$ 1,464,466
Public safety	1,925,482	2,933,717	3,965,278	4,934,508	4,408,392	4,388,583	4,630,047	5,024,002
Public works	544,453	746,455	1,163,229	1,426,493	1,163,828	1,097,003	1,014,410	1,282,527
Culture and recreation	875,709	1,272,197	1,632,863	1,998,717	1,661,845	1,610,322	1,756,449	1,689,523
Economic development	143,258	219,479	436,865	622,809	490,463	495,912	515,304	466,756
Operating grants and contributions	1,205,804	2,369,464	1,620,825	1,424,185	2,564,015	3,660,574	3,308,384	10,780,000
Capital grants and contributions	2,837,716	1,009,062	1,789,291	28,864,918	25,160,023	15,336,888	12,616,188	32,356,726
Total governmental activities program revenues	8,086,007	9,441,864	11,736,029	40,593,100	36,682,784	27,893,960	25,164,863	53,064,000
Business-type activities:								
Charge for services:								
Water	9,448,793	10,213,127	12,148,637	15,458,413	13,535,909	17,048,390	14,267,148	18,756,541
Wastewater	7,108,219	7,932,644	8,737,224	9,825,367	11,066,613	11,623,418	12,628,832	13,141,837
Event Center	-	-	14,600	159,074	1,161,574	864,634	1,249,508	581,776
Operating grants and contributions	146,378	352,127	4,617,957	18,313,509	7,130,740	13,320,728	9,952,147	8,316,845
Capital grants and contributions	16,703,390	18,497,898	25,518,418	43,756,363	33,044,836	44,507,170	38,097,635	40,796,999
Total business-type activities program revenues	\$ 24,789,397	\$ 27,939,762	\$ 37,254,447	\$ 84,349,463	\$ 69,727,620	\$ 72,401,130	\$ 63,262,498	\$ 93,860,999

Source: The City's Financial Records, Financial Services Department

Note: The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.

City of Rio Rancho, New Mexico
Changes in Net Assets
Last Eight Years

(accrual basis of accounting)

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
Net (Expense)/Revenue								
Governmental activities	\$ (26,172,464)	\$ (21,181,513)	\$ (26,460,229)	\$ (6,691,078)	\$ (24,673,306)	\$ (45,314,665)	\$ (44,000,067)	\$ (21,554,162)
Business-type activities	924,713	2,978,723	8,703,697	22,632,333	10,859,474	18,657,330	11,941,646	13,363,554
Total primary government net assets	\$ (25,247,751)	\$ (18,202,790)	\$ (17,756,532)	\$ 15,941,255	\$ (13,813,832)	\$ (26,657,335)	\$ (32,058,421)	\$ (8,190,608)
General Revenues and Other Changes in Net Assets								
Governmental activities:								
Taxes:								
Property taxes	\$ 6,689,973	\$ 6,804,458	\$ 7,447,467	\$ 8,394,598	\$ 9,759,949	\$ 12,857,673	\$ 14,484,127	\$ 15,969,391
Gross receipts taxes	9,786,994	9,920,581	13,120,239	19,526,233	18,858,973	18,148,103	15,720,986	15,434,222
Franchise taxes	2,108,304	2,232,546	2,301,133	2,692,885	2,800,615	2,898,700	2,988,269	2,995,701
Unrestricted grants, aid and state shared revenues	8,876,352	9,848,581	11,218,874	13,034,242	15,969,522	14,268,918	13,425,817	12,772,147
Investment income	261,638	241,122	485,905	2,004,373	2,881,181	1,167,530	284,896	53,817
Miscellaneous	105,043	73,290	70,498	15,590	704,101	2,010,150	903,402	764,358
Impact fees (A)	1,377,679	2,330,707	3,527,405	-	-	-	-	-
Total governmental activities	29,205,983	31,451,285	38,171,521	45,667,921	50,974,341	51,351,074	47,807,497	47,989,636
Business-type activities								
Investment income	293,196	301,144	418,277	2,611,880	3,437,707	2,711,197	1,191,571	75,894
Miscellaneous	-	-	-	-	-	47,603	531,454	840,208
Impact fees (A)	1,165,174	2,269,560	3,629,855	-	-	-	-	-
Total business-type activities	1,458,370	2,570,704	4,048,132	2,611,880	3,437,707	2,758,800	1,723,025	916,102
Total primary government	\$ 30,664,353	\$ 34,021,989	\$ 42,219,653	\$ 48,279,801	\$ 54,412,048	\$ 54,109,874	\$ 49,530,522	\$ 48,905,738
Change in Net Assets								
Governmental activities	\$ 3,033,519	\$ 10,269,772	\$ 11,711,292	\$ 38,976,843	\$ 26,301,035	\$ 6,036,409	\$ 3,807,430	\$ 26,435,474
Business-type activities	2,383,083	5,549,427	12,751,829	25,244,213	14,297,181	21,416,130	13,664,671	14,279,656
Total primary government	\$ 5,416,602	\$ 15,819,199	\$ 24,463,121	\$ 64,221,056	\$ 40,598,216	\$ 27,452,539	\$ 17,472,101	\$ 40,715,130

Source: The City's Financial Records, Financial Services Department

Note: The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.

(A) - Beginning in fiscal year 2006, impact fees are reclassified as Capital Grants and Contributions.

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City of Rio Rancho, New Mexico
Fund Balances, Governmental Funds,
Last Ten Years

(modified accrual basis of accounting)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General fund										
Unreserved	\$ 7,947,671	\$ 6,954,382	\$ 9,499,506	\$ 11,670,614	\$ 15,456,118	\$ 20,969,824	\$ 19,180,448	\$ 13,787,854	\$ 9,600,869	\$ 10,925,800
Total general fund	\$ 7,947,671	\$ 6,954,382	\$ 9,499,506	\$ 11,670,614	\$ 15,456,118	\$ 20,969,824	\$ 19,180,448	\$ 13,787,854	\$ 9,600,869	\$ 10,925,800
All other Governmental Funds										
Unreserved, reported in:										
Special revenue funds	\$ 3,087,709	\$ 2,807,871	\$ 2,116,294	\$ 3,705,958	\$ 4,167,797	\$ 5,649,848	\$ 6,602,598	\$ 5,754,154	\$ 7,222,212	\$ 9,592,523
Capital project funds	2,443,365	7,735,923	3,984,257	5,718,637	32,834,006	39,254,295	24,834,816	11,381,019	39,219,423	20,129,681
Debt service funds	6,093,736	2,997,232	2,268,155	1,399,764	1,441,050	1,885,213	1,609,098	3,848,464	4,276,390	4,191,966
Total all other governmental funds	\$ 11,624,810	\$ 13,541,026	\$ 8,368,706	\$ 10,824,359	\$ 38,442,853	\$ 46,789,356	\$ 33,046,512	\$ 20,983,637	\$ 50,718,025	\$ 33,914,170

Source: The City's Financial Records, Financial Services Department

City of Rio Rancho, New Mexico
Changes in Fund Balances, Governmental Funds,
Last Ten Years
(modified accrual basis of accounting)

Schedule 4

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Revenues:										
Taxes	\$ 20,027,275	\$ 19,536,360	\$ 24,742,640	\$ 26,582,465	\$ 31,794,472	\$ 40,938,066	\$ 44,497,571	\$ 44,647,539	\$ 43,369,647	\$ 44,037,406
Licenses and permits	285,032	395,916	311,528	365,929	388,605	379,136	375,559	362,924	309,310	335,490
Intergovernmental	1,971,958	2,870,889	4,013,780	3,336,576	3,102,857	6,843,550	14,967,100	7,160,889	8,302,542	23,581,048
Impact fees	-	-	1,377,679	2,330,707	3,527,405	3,656,952	3,346,000	1,969,502	1,312,729	2,251,932
Charges for services	4,284,811	4,101,025	2,552,937	3,855,894	5,902,794	7,650,816	6,266,634	5,798,568	5,383,534	5,487,067
Fines and forfeits	537,532	375,396	767,544	965,513	1,051,048	1,076,497	1,158,149	1,176,750	1,222,371	1,269,327
Franchise fees	1,842,634	2,050,932	2,108,304	2,232,546	2,301,133	2,692,885	2,800,615	2,898,700	2,988,269	2,995,701
Contributions and donations	38,682	40,187	192,282	50,559	168,816	2,129,098	1,707,453	35,554	81,493	65,298
Investment income	770,370	490,754	261,638	241,246	485,905	2,004,373	2,881,181	1,574,356	284,896	53,817
Other revenues	376,500	605,424	573,205	1,029,552	1,272,014	2,458,128	1,859,006	3,089,261	3,228,478	3,397,058
Total revenues	\$ 30,134,794	\$ 30,466,883	\$ 36,901,537	\$ 40,990,987	\$ 49,995,049	\$ 69,829,501	\$ 79,859,268	\$ 68,714,043	\$ 66,483,269	\$ 83,474,144
Expenditures:										
Current -										
General government	\$ 3,778,539	\$ 3,489,828	\$ 3,234,328	\$ 4,132,923	\$ 4,118,240	\$ 4,620,073	\$ 9,116,075	\$ 8,741,072	\$ 8,176,267	\$ 8,364,557
Public safety	11,646,244	11,910,044	11,514,788	13,322,440	14,309,389	17,415,423	21,579,173	26,644,563	26,989,915	34,893,280
Public works	3,020,721	4,886,254	3,769,896	3,908,421	4,787,679	5,917,153	8,836,988	10,584,274	8,885,685	7,378,256
Cultural and recreation	3,718,961	4,497,924	4,846,580	5,410,416	5,776,812	7,001,339	8,286,106	8,716,377	9,290,738	8,377,039
Economic development	1,153,218	1,283,781	1,234,514	1,404,916	1,961,868	2,557,163	2,864,539	3,467,383	3,428,467	2,652,601
Other expenses	-	-	-	-	-	-	-	-	11,500	3,000
Capital outlay	2,701,572	3,635,519	11,751,245	5,833,961	8,734,020	20,793,304	42,447,948	23,399,838	12,878,264	30,832,461
Debt service -										
Payment to bond escrow agent	-	-	-	660,060	-	-	-	-	-	-
Principal	1,195,000	1,515,254	3,338,249	2,270,869	2,452,119	2,827,984	3,128,174	2,097,825	4,790,762	4,464,510
Interest and fiscal charges	740,242	616,721	744,561	648,944	640,372	1,338,273	1,958,773	1,601,563	1,839,743	2,595,876
Bond issuance costs	-	-	-	113,371	386,061	135,027	-	-	85,097	50,249
Total expenditures	27,954,497	31,835,325	40,434,161	37,706,321	43,166,560	62,605,739	98,217,776	85,252,895	76,376,438	99,611,829
Excess of revenues over (under) expenditures	\$ 2,180,297	\$ (1,368,442)	\$ (3,532,624)	\$ 3,284,666	\$ 6,828,489	\$ 7,223,762	\$ (18,358,508)	\$ (16,538,852)	\$ (9,893,169)	\$ (16,137,685)

Source: The City's Financial Records, Financial Services Department

City of Rio Rancho, New Mexico
Changes in Fund Balances, Governmental Funds,
Last Ten Years
(modified accrual basis of accounting)

Schedule 4
(Concl'd)

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Other Financing Sources (Uses):										
Issuance of general obligation bonds	\$ -	\$ 5,000,000	\$ -	\$ -	\$ 5,500,000	\$ 7,000,000	\$ -	\$ -	\$ 25,554,472	\$ -
Issuance of revenue bonds	-	-	-	4,465,000	18,130,000	-	-	-	-	-
Loan proceeds	-	-	1,371,188	-	215,556	-	2,696,286	231,639	9,886,100	337,259
Premium on sale of bonds	-	-	-	105,708	1,014,543	310,182	-	-	-	-
Sale of land proceeds	-	-	-	-	-	-	-	-	-	-
Transfer in	566,616	476,698	1,468,764	1,500,814	4,151,710	7,058,925	12,410,603	7,204,181	2,987,569	202,690
Payment to bond escrow agent	-	-	-	(3,347,215)	-	-	-	-	-	4,740,124
Transfer out	(566,616)	(476,698)	(1,468,764)	(1,500,814)	(4,151,710)	(7,058,925)	(12,410,603)	(7,204,181)	(2,987,569)	(4,740,124)
Total other financing sources (uses)	-	5,000,000	1,371,188	1,223,493	24,860,099	7,310,182	2,696,286	231,639	35,440,572	539,949
Net Change in fund balances	\$ 2,180,297	\$ 3,631,558	\$ (2,161,436)	\$ 4,508,159	\$ 31,688,588	\$ 14,533,944	\$ (15,662,222)	\$ (16,307,213)	\$ 25,547,403	\$ (15,597,736)
Debt service as a percentage of noncapital expenditures	7.66%	7.56%	10.89%	11.00%	8.66%	13.05%	9.02%	6.16%	10.05%	11.51%

Source: The City's Financial Records, Financial Services Department

City of Rio Rancho, New Mexico
Taxable and Full Value of Property
Last Ten Fiscal Years

Sandoval County											Rio Rancho Share in Sandoval County Net Taxable Value	
Fiscal Year	Residential property			Commercial Property			Less: Tax- exempt Property		Total			Total Direct Tax Rate
	Taxable Value	Full Value	Taxable Value	Full Value	Taxable Value	Full Value	Property	Value	Full Value			
2001	1,008,808,879	3,026,426,637	364,278,356	1,092,835,068	120,598,543	1,252,488,692	3,998,663,162	7.06	282,185,659	23%		
2002	1,087,166,242	3,261,498,726	468,369,933	1,405,109,799	125,337,156	1,430,199,019	4,541,271,369	7.98	362,529,693	25%		
2003	1,181,396,970	3,544,190,910	386,437,811	1,159,313,433	139,285,763	1,428,549,018	4,564,218,580	8.30	378,875,784	27%		
2004	N/A	N/A	N/A	N/A	N/A	N/A	N/A	8.36	N/A	N/A		
2005	1,441,214,926	1,921,619,853	435,359,989	580,479,971	164,240,183	1,712,334,732	2,283,112,919	8.35	190,708,422	11%		
2006	1,702,012,677	2,269,350,179	467,597,877	623,463,820	175,879,345	1,993,731,209	2,658,308,212	7.96	211,601,334	11%		
2007	2,076,419,611	2,768,559,412	972,070,958	1,296,094,578	221,336,819	2,827,153,750	3,769,538,239	7.97	300,582,979	11%		
2008	2,352,908,682	3,137,211,498	1,015,360,974	1,353,814,598	241,137,494	3,127,132,162	4,169,509,445	7.91	329,683,112	11%		
2009	2,554,628,852	3,406,171,718	861,081,854	1,148,109,110	249,476,650	3,166,234,056	4,221,645,302	8.01	338,153,789	11%		
2010	2,579,985,543	3,439,980,638	1,010,359,661	1,347,146,181	277,937,023	3,312,408,181	4,416,544,131	8.17	360,964,152	11%		

Source: Sandoval County Assessor's Office Valuation Summary 2001 through 2003, Sandoval County Assessor's Office Abstract 2005 through 2010.

Notes: No information is available for 2004.

City of Rio Rancho, New Mexico
Property Tax Rates - Direct and Overlapping Governments
Last Ten Fiscal Years
(rate per \$1,000 of assessed value)

Schedule 6

Fiscal Year	City of Rio Rancho			Overlapping Rates				Total
	General Fund	Debt Service Fund	Total	State	County	School District	Central NM Comm. College	
2001	5.917	1.140	7.057	1.765	5.620	10.762	3.008	28.212
2002	5.983	2.000	7.983	1.123	5.713	10.750	3.008	28.577
2003	6.227	2.074	8.301	1.520	5.759	10.758	3.011	29.349
2004	6.300	2.067	8.367	1.028	6.940	10.760	3.019	30.114
2005	6.286	2.067	8.353	1.234	6.384	10.756	3.038	29.765
2006	6.138	1.826	7.964	1.291	6.271	10.704	3.027	29.257
2007	5.914	2.060	7.974	1.221	5.800	10.624	2.992	28.611
2008	5.847	2.060	7.907	1.250	5.368	10.899	2.989	28.413
2009	5.944	2.067	8.011	1.150	5.809	10.635	7.296	32.901
2010	6.113	2.060	8.173	1.530	5.952	10.694	7.408	33.757

Source: State of New Mexico Department of Finance and Administration

City of Rio Rancho, New Mexico
Principal Property Tax Payers
Current Year and Four Years Ago

Schedule 7

Tax Payer	2009		2005 (A)	
	Taxable Assessed Value	Percent of Total Taxable Valuation	Taxable Assessed Value	Percent of Total Taxable Valuation
Lowe's Home Centers	\$ 6,122,114	0.28%	\$ -	0.00%
Wal-Mart Stores	5,604,760	0.26%	-	0.00%
Centex American Gypsum	2,840,683	0.13%	-	0.00%
Yates, Ronald G and Kimla	1,433,333	0.07%		0.00%
American Holding and Assets	1,126,707	0.05%		0.00%
Presbyterian Healthcare	927,896	0.04%	6,123,432	0.49%
Enchanted 528 Development	896,595	0.04%		0.00%
Rio Rancho SPV LP	884,774	0.04%		0.00%
Cherry Road LLC	862,383	0.04%		0.00%
High Desert Investment Corp	841,314	0.04%		0.00%
PNM	-	0.00%	19,672,866	1.57%
Qwest	-	0.00%	5,040,773	0.40%
G & I III Pinnacle High Resort	-	0.00%	5,950,897	0.48%
Leisure Care, Inc.	-	0.00%	3,098,353	0.25%
U.S. Cotton	-	0.00%	2,826,114	0.23%
Meadowlark Apartments	-	0.00%	2,536,400	0.20%
Fulcrum Building, Inc.	-	0.00%	2,259,561	0.18%
Target	-	0.00%	2,043,463	0.16%
Total	\$ 21,540,559	0.99%	\$ 49,551,859	3.97%

Source: Sandoval County Assessor's Office

Note: The fiscal year for collection is November through October. This schedule uses the 2010 collection year information.

(A) - Information is not available for nine (9) years prior.

City of Rio Rancho, New Mexico
Property Tax Levies and Collections
Last Ten Fiscal Years

Schedule 8

Fiscal Year	Taxes Levied for the Fiscal Year (A)	Collected within the Fiscal Year of the Levy		Delinquent Tax Collection (A)	Total Tax Collection	Ratio of Total Tax Collections to Total Tax		Ratio of Outstanding Delinquent Taxes to Total Tax	
		Amount (A)	Percentage			Tax Collections to Total Tax	Outstanding Delinquent Taxes	Outstanding Delinquent Taxes	Ratio of Outstanding Delinquent Taxes
2000	4,765,427	4,758,187	100%	2,337	4,760,524	100%	4,903	4,903	0%
2001	5,162,406	5,152,438	100%	4,742	5,157,180	100%	5,226	5,226	0%
2002	6,274,889	6,253,030	100%	12,696	6,265,726	100%	9,163	9,163	0%
2003	6,935,320	6,868,363	99%	46,857	6,915,220	100%	20,101	20,101	0%
2004	7,558,650	7,299,238	97%	191,081	7,490,319	99%	68,330	68,330	1%
2005	8,454,578	8,135,231	96%	231,028	8,366,259	99%	319,348	319,348	4%
2006	9,679,603	9,297,367	96%	289,712	9,587,079	99%	382,236	382,236	4%
2007	12,896,884	12,231,289	95%	422,973	12,654,262	98%	665,595	665,595	5%
2008	14,649,411	13,833,470	94%	519,749	14,353,219	98%	858,820	858,820	6%
2009	16,281,975	15,231,543	94%	-	15,231,543	94%	908,534	908,534	6%

Source: Sandoval County Treasurer's Office

(A) - Subject to change each day due to additions and deletions of levied and collected amounts.

City of Rio Rancho, New Mexico
Taxable Gross Receipts by Type of Trade
Last Ten Fiscal Years

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Construction	\$ 92,796,637	\$ 119,905,115	\$ 132,253,800	\$ 165,091,463	\$ 256,139,117	\$ 393,313,384	\$ 490,940,456	\$ 375,570,976	\$ 266,089,467	\$ 160,792,616
Manufacturing	10,130,287	10,354,938	11,248,498	9,832,558	8,021,933	8,226,714	14,124,152	10,518,506	12,671,847	5,160,066
Transportation, Communication and Utility	84,499,054	80,760,303	75,561,870	85,778,516	97,765,401	109,619,203	110,037,820	98,640,371	107,587,644	97,909,454
Wholesale	7,675,161	7,118,861	9,861,828	12,215,397	11,836,622	13,745,588	11,293,040	11,301,564	9,110,123	9,326,176
Retail	205,587,902	195,299,852	196,833,445	216,675,986	226,347,806	280,255,799	402,411,448	455,834,662	380,784,663	396,763,790
Finance, Insurance and Real Estate	9,993,040	7,629,312	10,546,012	10,239,936	14,928,802	32,469,846	32,486,743	29,108,506	20,584,655	25,015,494
Services	108,574,536	120,057,168	121,770,994	158,635,704	174,467,008	161,736,299	172,096,364	199,175,032	193,070,878	226,829,005
Other (A)	-	43,004	32,594,983	25,648,098	21,834,798	(9,632,397)	(22,743,369)	(102,518,633)	(20,924,025)	-
Total Taxable Gross Receipts	\$ 519,256,617	\$ 541,168,553	\$ 590,671,430	\$ 684,117,658	\$ 811,341,487	\$ 989,734,436	\$ 1,210,646,654	\$ 1,077,630,984	\$ 968,975,252	\$ 921,796,601
City direct sales tax rate	6.1875%	6.1875%	6.1875%	6.1875%	6.6875%	6.6875%	6.6875%	6.6875%	6.9375%	7.0625%
Sandoval County direct sales tax rate	5.7500%	5.7500%	5.7500%	5.7500%	6.0000%	6.0000%	6.0000%	6.0000%	6.0000%	6.1250%

Source: State of New Mexico, Department of Taxation and Revenue

Notes: Unable to provide schedule of Principal Sales Tax Remitters, per New Mexico Taxation and Revenue Laws and Regulations 2004 Edition, section 7-1-8, Confidentiality of returns and other information.

(A) - This category is made up of "undetermined establishments" due to adjustments of monthly reportings by the state, therefore, negative amounts may be reported.

City of Rio Rancho, New Mexico

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Business-Type Activities				Total Primary Government	Percentage of Personal Income (A)	Per Capita
	General Obligation Bonds	GRT		Notes Payable	Revenue Bonds	Loan Payable					
		Revenue Bonds									
2001	5,070,000		7,415,000		381,000		81,830,000	8,123,695	102,819,695	2.32%	1,967
2002	9,445,000		6,735,000		362,690		80,160,000	9,785,900	106,488,590	2.25%	1,975
2003	8,740,000		4,285,000		1,645,773		78,110,000	10,486,627	103,267,400	2.38%	1,842
2004	7,350,000		4,225,000		1,447,904		80,095,000	10,096,360	103,214,264	2.58%	1,754
2005	11,270,000		21,840,000		1,306,341		134,340,000	9,694,384	178,450,725	1.64%	2,858
2006	16,765,000		20,980,000		843,357		130,555,000	9,280,350	178,423,707	1.82%	2,687
2007	15,075,000		20,225,000		2,856,469		159,655,000	8,853,895	206,665,364	1.68%	2,886
2008	14,325,000		19,445,000		2,520,283		154,200,000	8,414,645	198,904,928	1.93%	2,618
2009	36,075,000		18,645,000		11,665,621		158,460,000	8,032,219	232,877,840	N/A	2,924
2010	32,875,000		17,820,000		11,563,370		151,825,000	8,888,514	222,971,884	N/A	2,700

Source: The City's Financial Records, Financial Services Department

(A) - This information uses Sandoval County Personal Income through 2008, this information is not available for 2009 and 2010.

City of Rio Rancho, New Mexico
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Schedule 11

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property	Per Capita (A)
2001	5,070,000	754,918	4,315,082	0.56%	82.54
2002	9,445,000	744,387	8,700,613	1.07%	161.38
2003	8,740,000	1,406,030	7,333,970	0.85%	130.79
2004	7,350,000	1,383,965	5,966,035	0.64%	101.39
2005	11,270,000	1,296,944	9,973,056	0.95%	159.72
2006	16,765,000	1,469,470	15,295,530	1.22%	230.33
2007	15,075,000	1,506,930	13,568,070	0.74%	189.48
2008	14,325,000	3,584,693	10,740,307	0.51%	141.36
2009	36,075,000	3,893,758	32,181,242	1.48%	404.01
2010	32,875,000	4,039,681	28,835,319	1.33%	349.21

Source: The City's Financial Records, Financial Services Department

(A) - This information uses the Bureau of Business and Economic Research (BBER) City of Rio Rancho population estimation.

City of Rio Rancho, New Mexico
Computation of Direct and Overlapping Debt
As of June 30, 2010

Schedule 12

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Applicable Percentage</u>	<u>Estimated Share Applicable to City</u>
Debt repaid with property taxes			
State of New Mexico	\$ 453,730,000	4.30%	\$ 19,514,162
Sandoval County	20,380,000	64.65	13,176,561
Central NM Community College	53,825,000	12.81	6,897,424
SSCAFCA	25,745,000	81.64	21,017,948
Rio Rancho School District	135,070,000	96.38	130,178,791
Cabazon Public Improvement District	10,525,000	100.00	10,525,000
Mariposa East Public Improvement District	16,000,000	100.00	16,000,000
Subtotal, overlapping debt			217,309,886
City direct debt			<u>62,258,370</u>
Total direct & overlapping debt			<u>\$ 279,568,256</u>

Source: Sandoval County Assessor's Office

City of Rio Rancho, New Mexico
Computation of Legal Debt Margin
Last Ten Fiscal Years

Schedule 13

Legal Debt Margin Calculation for Fiscal Year 2010	
Assessed value	\$2,170,607,782
Debt limit (4% of assessed value)	86,824,311
Debt applicable to limit:	
General obligation bonds	32,875,000
Less: Amount set aside for	
repayment of general obligation debt	4,039,681
Total net debt applicable to limit	28,835,319
Legal debt margin	\$37,988,992

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Debt limit	\$ 30,772,240	\$ 32,608,188	\$ 34,478,085	\$ 37,001,873	\$ 41,810,547	\$ 49,987,941	\$ 73,611,213	\$ 83,765,112	\$ 86,731,396	\$2,170,607,782
Total net debt applicable to limit	4,315,082	8,700,613	7,333,970	5,966,035	9,973,056	15,295,530	13,568,070	10,740,307	31,181,242	4,039,681
Total net debt applicable to the limit as a percentage of debt limit	14.02%	26.68%	21.27%	16.12%	23.85%	30.60%	18.43%	12.82%	35.95%	0.19%

Sources: The City's Financial Records, Financial Services Department and the Sandoval County Assessor's Office

City of Rio Rancho, New Mexico
Pledged Revenue Bond Coverage
Last Ten Fiscal Years

Fiscal Year	Gross Receipts Tax Bonds					Business-Type Bonds						
	Gross Receipts Tax Increment	Debt Service Requirements			Coverage	Gross Revenues	Expenditures (A)	Debt Service for Available for	Debt Service Requirements			
		Principal	Interest	Total					Principal	Interest	Total	
2001	1,120,117	645,000	435,668	1,080,668	1.04	14,194,116	5,116,088	9,078,028	1,260,000	4,377,330	5,637,330	1.61
2002	872,032	680,000	368,836	1,048,836	0.83	16,460,803	8,966,365	7,494,438	1,670,000	4,318,880	5,988,880	1.25
2003	3,664,165	*2,450,000	264,056	2,714,056	1.35	16,557,012	21,758,570	(5,201,558)	2,050,000	4,195,938	6,245,938	-0.83
2004	1,608,954	683,000	179,113	862,113	1.87	18,145,771	11,286,038	6,859,733	2,410,000	4,042,563	6,452,563	1.06
2005	762,300	515,000	137,581	652,581	1.17	20,900,461	19,513,838	1,386,623	2,730,000	4,047,077	6,777,077	0.20
2006	1,892,470	860,000	837,724	1,697,724	1.11	32,117,610	21,875,800	10,241,810	3,785,000	6,550,574	10,335,574	0.99
2007	1,704,815	755,000	938,480	1,693,480	1.01	31,911,403	24,744,962	7,166,441	3,830,000	6,342,361	10,172,361	0.70
2008	1,605,009	780,000	917,193	1,697,193	0.95	44,854,329	25,849,840	19,004,489	5,455,000	7,915,038	13,370,038	1.42
2009	1,753,444	800,000	904,774	1,704,774	1.03	38,515,780	27,985,218	10,530,562	5,950,000	7,817,123	13,767,123	0.76
2010	1,479,217	825,000	868,496	1,693,496	0.87	39,397,283	30,617,272	8,780,011	6,635,000	6,850,531	13,485,531	0.65

Source: The City's Financial Records, Financial Services Department

(*) - The 2003 refunding bonds did not require a reserve, therefore, the City used the 1995 reserve requirement to make additional payments on the 1995 bonds.

(A) - Expenditures are calculated by adding the Operating and Nonoperating Expenses from the Statement of Revenues, Expenses, and Changes in Fund Net Assets for the Proprietary Funds.

City of Rio Rancho, New Mexico
Demographics and Economic Statistics
Last Ten Fiscal Years

Year	City		County Population	Personal Income	Per Capita Personal Income			Unemployment Rate		
	Population				U.S.	New Mexico	Sandoval County	U.S.	New Mexico	Sandoval County
2001	52,278		91,247	2,381,792	30,582	24,141	25,574	4.70%	4.90%	4.60%
2002	53,915		93,134	2,398,481	30,838	24,330	25,080	5.80%	5.50%	5.80%
2003	56,074		95,632	2,454,258	31,530	24,975	24,958	6.00%	5.90%	5.90%
2004	58,845		98,335	2,661,046	33,157	26,366	26,293	5.50%	5.80%	5.50%
2005	62,440		101,206	2,927,630	34,690	27,907	27,717	5.10%	5.20%	5.10%
2006	66,407		105,625	3,241,776	36,794	29,346	28,982	4.60%	4.20%	4.40%
2007	71,607		111,855	3,465,926	38,615	30,706	29,476	4.60%	3.50%	4.00%
2008	75,978		117,583	3,845,583	39,751	32,091	31,401	5.80%	4.20%	4.90%
2009	79,655		122,298	N/A	39,138	32,992	N/A	9.30%	7.20%	8.20%
2010	82,574		125,988	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Source: Bureau of Business and Economic Research (BBER).

Notes: Personal income, per capita income and unemployment rates are only available for the county, not for the city.

Personal income and per capita personal income for Sandoval county is not available for 2009 & 2010.

No information except city and county population is available for 2010.

City of Rio Rancho, New Mexico
Principal Employers
Current Year and Nine Years Ago

Schedule 16

Employer (B)	2010 (A)			2001		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Intel Corporation	3,171	1	6%	5,800	1	21%
Rio Rancho Public Schools	2,382	2	5%	1,042	4	4%
Intel Subcontractors		3	0%	2,000	2	7%
Hewlett-Packard	998	4	2%	-		0%
Sprint PCS	820	5	2%	1,200	3	4%
Bank of America Banking Services		6	0%	400	8	1%
City of Rio Rancho	685	7	1%	470	6	2%
E Telecare Global Solution		8	0%	-		0%
Brycon Construction	500	9	1%	-		0%
Sandoval County	451	10	1%	-		0%
Victoria's Secret Catalogue			0%	681	5	3%
JC Penney Company				-		0%
Don Chalmers Ford				170	10	1%
Spartan Technology				-		0%
Gateway Computers				455	7	2%
U.S. National Guard Hawk Facility				300	9	1%
Total Major Employers-Sandoval County *	<u>9,007</u>			<u>12,518</u>		
Total Sandoval County Employment **	<u>51,685</u>			<u>27,116</u>		

Sources: (*) Rio Rancho Chamber of Commerce April 2009

(**) New Mexico Department of Labor, Economic Research and Analysis, 2009

(A) -Most current data available is from the 2009 Rio Rancho Economic Development Corporation Annual Survey.

(B) -Companies, within the top ten ranking, that do not have an employee count listed were not available.

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City of Rio Rancho, New Mexico
Full-time-Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years

Function/Program	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Government										
City Administration	11	10	11	11	12	3	4	5	6	5
Human Resources	11	11	11	13	13	11	10	10	9	8
City Clerk	4	4	4	4	4	4	4	4	4	4
City Attorney	6	5	5	5	5	5	6	7	7	6
Municipal Court	11	12	12	12	12	12	13	13	13	12
Finance	19	17	18	18	19	30	30	35	29	34
Public Safety										
Police	104	103	101	101	106	118	123	124	127	127
Firefighters	37	43	49	46	50	56	99	100	101	100
Civilians	50	52	58	70	66	72	90	88	86	87
Public Works										
Engineering	7	7	8	8	9	13	21	25	27	25
Others	50	50	50	50	53	65	77	75	74	71
Parks and Recreation	73	73	69	75	75	78	110	132	139	115
Senior Services	14	15	15	15	15	18	17	17	8	15
Library and Information Services	20	19	19	22	25	30	36	36	38	35
City Development	20	21	22	20	20	32	40	42	36	32
Special Funds	8	12	10	8	8	11	14	14	20	5
Water and Wastewater	10	25	25	29	32	36	41	42	38	35
Total	455	479	487	507	524	594	735	769	762	716

Source: City of Rio Rancho Annual Budget

Note: A full-time employee is scheduled to work 2,080 hours per year (including vacation and sick leave). Full-time-equivalent employment is calculated by dividing total labor hours by 2,080.

City of Rio Rancho, New Mexico
Operating Indicators by Function/Program
Last Five Fiscal Years

Function/Program	Fiscal Year			
	2006	2007	2008	2009
Police				
Total Violent Crimes (A)	776	927	886	920
Total Property Crimes (B)	1,399	1,775	1,961	1,709
Total Warnings & Citations (C)	24,305	23,840	27,250	21,082
Total Arrests (D)	3,008	3,337	3,620	3,613
Total Traffic Crashes (E)	1,791	2,008	1,856	1,576
Total Incident Reports (F)	3,586	8,881	9,045	9,485
Total Calls for Service (G)	39,165	36,271	49,842	44,651
Fire				
Total Structural Fires	25	29	46	54
Total Fire Inspections	999	901	1,049	736
Total Calls for Service	1,582	1,372	1,693	1,508
EMS				
Total EMS Patients	4,345	5,141	-	-
Total Patient Transports	3,056	3,407	4,129	4,122
Total Calls for Service	4,764	5,243	6,330	7,481
Animal Control (H)				
Total Impounds	2,330	2,417	2,543	2,584
Total Claims	617	754	830	914
Total Adoptions	851	724	988	854
Total Euthanasia	674	732	663	758
Total Complaints	4,755	4,740	5,193	5,821
Code Enforcement (I)				
Total Inspections	8,043	10,010	7,055	6,989
Total Citations	280	260	479	369
Public Works				
Total Utility Cuts	390	-	-	-
Total Potholes Repaired	971	423	1,385	592
Parks & Recreation				
Total Program Participation-Youth	20,961	19,632	22,620	9,149
Total Program Participation-Adult	18,638	6,556	6,621	3,969
Total Program Participation-Aquatics	7,050	2,897	2,935	4,321

City of Rio Rancho, New Mexico
Operating Indicators by Function/Program
Last Five Fiscal Years

<u>Function/Program</u>	<u>Fiscal Year</u>			
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<u>Library</u>				
Total Collection	146,626	154,258	166,857	174,388
New Items Added	23,233	17,288	23,501	23,800
Items Withdrawn	7,252	9,656	10,902	16,269
Collection Growth	15,981	7,632	12,599	7,531
<u>Circulation Stats:</u>				
Visitors	224,977	216,106	256,734	354,985
Circulation	171,156	296,142	426,653	543,528
Computer Usage	31,711	32,931	61,358	85,938
Program Attendance	5,578	15,597	24,074	26,016
<u>Transit (J)</u>				
Total Clients Registered (K)	3,172	3,356	3,665	3,955
New Clients Registered	184	309	290	274
Total Fare Cards Sold	1,905	1,809	1,999	2,052
Total Trips in Rio Rancho	26,804	25,262	13,633	16,037
Total Trips to Albuquerque	6,212	6,115	2,983	2,310
<u>Purpose of Trips:</u>				
Medical	9,906	7,220	4,538	4,442
Personal Errands	3,307	5,645	2,830	4,936
Work	13,153	9,624	6,067	6,359
City Facilities	2,846	4,252	1,725	1,769
Education	4,004	4,636	1,456	944
Total Miles Traveled	133,672	142,273	127,576	132,971
				N/A

Sources: Various City Departments

Note: The City chose to use the prospective method of reporting for this schedule as the data was not tracked prior to GASB 44 implementation.

(A) Data was restated to include May and June information for 2009. Data not available for the month of June 2010.

(B) Data not available for the month of June 2010.

(C) Data was restated to include May and June information for 2009. Data not available for March through June 2010.

(D) Data was restated to include May and June information for 2009. Data not available for the month of June 2010.

(E) Data not available for the month of June 2010.

(F) Data was restated to include May and June information for 2009. Data not available for the month of June 2010.

(G) Data not available for the month of June 2010.

(H) All animal control categories exclude data for June 2010 as it was unavailable.

(I) All code enforcement categories exclude data for June 2010 as it was unavailable.

(J) All data for transit is July 2009 through December 2009. Beginning in January 2010, the transit system is no longer run by the City of Rio Rancho.

(K) Data was restated for fiscal years 2006, 2007, 2008 and 2009 to correct the reporting method for number of clients.

City of Rio Rancho, New Mexico
Capital Asset Statistics by Function/Program
Last Four Fiscal Years

Schedule 19

Function/Program	Fiscal Year			
	2006	2007	2008	2009
<u>Police</u>				
Main Stations	1	1	1	1
Substations (E)	4	4		
Patrol Units (H)	152	178	181	180
<u>Fire</u>				
Main Stations	2	5	6	5
Substations	4	1	1	1
Firetrucks	11	15	15	15
<u>EMS</u>				
Ambulances	7	8	9	9
<u>Animal Control</u>				
Patrol Units	7	7	7	7
<u>Public Works</u>				
Streets (centerline miles) (I)	831	831	837	846
Streetlights	1,156	2,544	2,604	2,710
Traffic Signals (Signalized Intersections)	35	42	45	45
Sidewalks & Paths (J)	121	121	123	134
<u>Parks & Recreation</u>				
New/Renovated Park Facilities	2	3	2	1
Developed Parkland (acres) (R)	242	285	304	311
Constructed Trailways (linear feet) (A)	53,873	57,516	64,380	64,380
<u>Transit</u>				
Mini buses (K)	7	7	8	8
<u>Water</u>				
Water mains (miles)	385	388	395	403
Fire hydrants	24,950	25,822	25,866	25,939
New Connections (F)		1,381	1,040	668
Water main breaks (G)		32	39	37
Storage capacity (thousands of gallons) (B)	31.0	31.0		34,500
Average daily consumption (thousands of gallons) (C)		10,409	11,745	10,616
Booster Stations (L)				8
Wells (in production) (M)				19
Storage Tanks (N)				18
Arsenic Treatment Facilities (O)				8
<u>Wastewater</u>				
Sanitary sewers (miles)	335	337	343	351
Average daily treatment capacity (thousands of gallons) (D)	4,176	4,565	4,954	4,863
Wastewater Treatment Plants (P)				6
Lift Stations (Q)				28

Sources: Various City Departments

City of Rio Rancho, New Mexico
Capital Asset Statistics by Function/Program
Last Four Fiscal Years

Schedule 19

Note: The City chose to use the prospective method of reporting for this schedule as the data was not tracked prior to GASB 44 implementation.

I. The City established a baseline for restatement of capital asset statistics for fiscal year ending June 30, 2010. Baseline figures were primarily obtained from the City's Geographic Information System (GIS).

(A) Amended the linear feet of constructed trailways for fiscal year 2006 to correctly state the starting point.

(B) The City chose to no longer track the water storage capacity beginning in fiscal year 2008, however began tracking again in fiscal year 2010.

(C) The City chose to begin tracking the average daily water consumption beginning in fiscal year 2007.

(D) Amended the wastewater treatment capacity beginning with fiscal year 2006 to be an average daily treatment capacity in thousands of gallons.

(E) Police and Fire no longer under the same department. Substation numbers for police reported to Finance in error. Restatement of substations for police for fiscal year 2008.

(F) Utility department began tracking new connections. Addition of data for fiscal year 2007 and 2008.

(G) Utility department began tracking water main breaks. Addition of data for fiscal year 2007 and 2008.

(H) Amended the number of patrol units to correctly state the baseline point. Previous year's reporting included all law enforcement vehicle fleet. Beginning in fiscal year 2010, only patrol units are reported

(I) Amended the centerline miles of paved roadway for fiscal year 2010 to correctly state the baseline point. Previous year's reporting was presumably based on a lane mile unit of measure.

(J) Public Works department discontinued tracking sidewalks beginning in fiscal year 2010. Sidewalks are considered part of the roadway/street infrastructure.

(K) On Dec. 16, 2009, the Rio Rancho City Council adopted a Resolution No. 134, ENACT 09-134 to transfer the city's Rio Transit Program to the Mid-Region Council of Governments and their Rio Metro Regional Transit District, effective Jan. 1, 2010.

(L) Public Works department began tracking number of booster stations beginning in fiscal year 2010.

(M) Public Works department began tracking number of wells beginning in fiscal year 2010.

(N) Public Works department began tracking number of water storage tanks beginning in fiscal year 2010.

(O) Public Works department began tracking number of arsenic treatment facilities beginning in fiscal year 2010.

(P) Public Works department began tracking number of wastewater treatment plants beginning in fiscal year 2010.

(Q) Public Works department began tracking number of lift stations beginning in fiscal year 2010.

(R) Amended the number of develop parkland for fiscal year 2010 to correctly state the baseline point.

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SINGLE AUDIT SECTION

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**REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT
AUDITING STANDARDS***

Honorable Mayor and Members of the City Council
and Citizens of the City of Rio Rancho
City of Rio Rancho, New Mexico

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, the budgetary comparisons of the general fund and major special revenue fund, the combining and individual funds, fiduciary funds and related budgetary comparisons presented as supplemental information of the City of Rio Rancho (the City) as of and for the year ended June 30, 2010, which collectively comprise the City's basic financial statements and have issued our report thereon dated November 23, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A **deficiency in internal control** exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A **material weakness** is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses.



Honorable Mayor and Members of the City Council
and Citizens of the City of Rio Rancho
City of Rio Rancho, New Mexico

We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, as described in the accompanying schedule of findings and questioned costs, which we consider to be significant deficiencies in internal control over financial reporting. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as findings 2010-01, 2009-05 and 2008-03 to be significant deficiencies. A **significant deficiency** is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2009-01 and 2009-02.

We also noted certain other matters that are required to be reported pursuant to *Government Auditing Standards* paragraphs 5.14 and 5.16, and pursuant to Section 12-6-5, NMSA 1978, which are described in the accompanying schedule of findings and questioned costs as findings 2010-02 and 2010-03.

The City's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the City's response and, accordingly, we express no opinion on it.

Honorable Mayor and Members of the City Council
and Citizens of the City of Rio Rancho
City of Rio Rancho, New Mexico

This report is intended solely for the information and use of management, others within the City, the City Council, the Office of the State Auditor, the New Mexico Legislature and other federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Meyers + Company LLC

November 23, 2010

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**INDEPENDENT AUDITOR'S REPORT
ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL
EFFECT ON EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**

Honorable Mayor and Members of the City Council
and Citizens of the City of Rio Rancho
City of Rio Rancho, New Mexico

Compliance

We have audited the City of Rio Rancho's (the City) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2010. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010. We did not identify instances of noncompliance.



Honorable Mayor and Members of the City Council
and Citizens of the City of Rio Rancho
City of Rio Rancho, New Mexico

Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A **deficiency in internal control over compliance** exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A **material weakness in internal control over compliance** is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency, as described in the accompanying schedule of findings and questioned costs as item 2009-05. A **significant deficiency in internal control over compliance** is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the City's responses and, accordingly, we express no opinion on the responses.

Honorable Mayor and Members of the City Council
and Citizens of the City of Rio Rancho
City of Rio Rancho, New Mexico

This report is intended solely for the information and use of management, others within the City, the City Council, the Office of the State Auditor, the New Mexico Legislature and other federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Maynes + Company, LLC

November 23, 2010

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2010

Federal Grantor/Pass-Through Grantor/ Program Title	CFDA Number	Grantor or Pass-Through Number	Expenditures
<u>U.S. Department of Homeland Security</u>			
Direct Program:			
Assistance to Firefighters Grant	97.044	EMW-2006-FF-04638	215,153
Passed through New Mexico Department of Homeland Security:			
Citizen Corps	97.053	2007-GE-T7-0023-RRCCP	11,793
Emergency Management Performance Grants	97.042	2009-EMPG-RIORANCHO	66,618
F.E.M.A. Disaster Grants - Public Assistance	97.036	FEMA-1659-DR-NM	231,967
Homeland Security Grant Program	97.067	2009-SS-T9-000030	6,319
Homeland Security Grant Program	97.067	2009-SS-T9-000030	66,263
State Fire Training Systems Grants	97.043	2006-GR-T6-0064	5,888
Total U.S. Department of Homeland Security			604,001
<u>U.S. Department of Justice</u>			
Direct Program:			
Bulletproof Vest Partnership Program	16.607	322023601	8,640
Edward Byrne Memorial Justice Assistance Grant	16.738	2009-DJ-BX-0948	47,339
Federal Surplus Property Transfer Program	16.578	N/A	69,192
Grants to Encourage Arrest Policies & Enforcement of Protection Orders	16.590	2006-WE-AX-0065	7,462
Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG)	16.804	2009-SB-B9-1800	243,805
Passed through New Mexico Department of Public Safety:			
Crime Victims Assistance	16.575	2009-VA-416	9,708
Crime Victims Assistance	16.575	2010-VA-509	36,785
Crime Victims Assistance	16.575	2010-VA-559	10,854
Recovery Act - Violence Against Women Formula Grants	16.588	2009-EF-S6-0049	23,979
Recovery Act - State Victim Assistance Formula Grant Program	16.801	2010-SG-823	26,463
Edward Byrne Memorial Formula Grant Program	16.579	MOU	14,168
Discretionary Grants Program	16.580	MOU	2,006
Passed through New Mexico Department of Public Safety Grant Management Bureau:			
Edward Byrne Memorial Justice Assistance Grant	16.738	09-JAG-NMGTF-SFY10	13,358
Edward Byrne Memorial Justice Assistance Grant	16.804	09-RA-JAG-RR-NMGTF-SFY10	3,634
Edward Byrne Memorial Justice Assistance Grant	16.738	MOU	5,197
Total U.S. Department of Justice			522,590
<u>U.S. Department of Agriculture</u>			
Passed through New Mexico Department of Children Youth and Family:			
Summer Food Service Program for Children	10.559	3185	57,429
Total U.S. Department of Agriculture			57,429
<u>U.S. Department of Energy</u>			
Direct Program:			
Recovery Act - Energy Efficiency and Conservation Block Grant Program	81.128	09SC004700	338,150
Total U.S. Department of Energy			338,150
<u>U.S. Department of Housing and Urban Development</u>			
Direct Program:			
Community Development Block Grant/Entitlement Grants	14.218	B-08-MC-35-004	63,101
Community Development Block Grant/Entitlement Grants	14.218	B-09-MC-35-004	121,184
Recovery Act - Community Development Block Grant/Entitlement Grants	14.253	B-09-MY-NM-004	84,497
Total U.S. Department of Housing and Urban Development			268,782
<u>U.S. Department of Protection Agency Office of Water</u>			
Passed through New Mexico Finance Authority:			
Recovery Act - Capitalization Grants for Drinking Water State Revolving Funds	66.468	2317-ADW	204,684
Total U.S. Department of Protection Agency Office of Water			204,684

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2010

Federal Grantor/Pass-Through Grantor/ Program Title	CFDA Number	Grantor or Pass-Through Number	Expenditures
<u>U.S. Department of Defense</u>			
Passed through U.S. Army Engineer, Albuquerque District: Arsenic Treatment	12.Unknown	SPA06-004	251,667
Total U.S. Department of Defense			<u>251,667</u>
<u>U.S. Department of Transportation</u>			
Passed through New Mexico Department of Transportation:			
Recovery Act - Highway Planning and Construction	20.205	ECO-HPP-4007(1)03	9,889,030
Highway Planning and Construction	20.205	HPP-4007(1)03	322,102
State and Community Highway Safety	20.600	10-OP-CIOT-081	4,520
State and Community Highway Safety	20.600	10-OP-TD1-081	4,580
State and Community Highway Safety	20.600	10-OP-TD-081	1,300
State and Community Highway Safety	20.600	09-AL-K8-081	27,228
State and Community Highway Safety	20.600	09-PT-02-P03	46,109
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	10-AL-64-P23	225,909
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	10-PT-02-P03	86,755
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	10-AL-164-081	69,810
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	09-AL-64-P23	108,061
Safety Belt Performance Grant	20.609	08-PT-DS-081	6
Total U.S. Department of Transportation			<u>10,785,410</u>
Total expenditures for federal awards			<u>\$ 13,032,713</u>

CITY OF RIO RANCHO, NEW MEXICO
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2010

NOTE 1 – BASIS OF PRESENTATION

The Schedule of Expenditures of Federal Awards includes the federal grant activity of City of Rio Rancho, New Mexico and is presented on the modified accrual basis of accounting for governmental funds and on the accrual basis of accounting for proprietary funds. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

NOTE 2 – CATALOG OF FEDERAL DOMESTIC ASSISTANCE (CFDA) NUMBERS

The program titles and CFDA numbers were obtained from the federal or pass-through grantor or the 2009 *Catalog of Federal Domestic Assistance*.

NOTE 3 – NON-CASH ASSISTANCE, LOANS, AND LOAN GUARANTEES

In accordance with OMB Circular A-133, the City had no non-cash assistance, loans, and loan agreements outstanding at year-end.

**CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2010**

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? yes X no
- Significant deficiencies identified that are not considered to be a material weakness(es)? X yes no

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? yes X no
- Significant deficiency identified that are not considered to be a material weakness(es)? X yes no

Type of auditors' report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133? X yes no

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program</u>
20.205	Highway Planning and Construction
66.468	ARRA-Capitalization Grants for Drinking Water State Revolving Funds

Dollar threshold used to distinguish between Type A and Type B programs: \$390,981

Auditee qualified as low-risk auditee? X yes no

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**CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2010**

SECTION II - FINANCIAL STATEMENT FINDINGS (Cont'd)

2010-01 ACCOUNTS PAYABLE (*significant deficiency*)

STATEMENT OF CONDITION

During testwork over proper accounts payable cutoff, we noted that items sampled had an invoice date subsequent to June 30, 2010 for services performed during the fiscal year. Payment for these items was not made until after June 30, 2010; however, the vouchers were not properly accrued at June 30, 2010. As a result, journal entries totaling approximately \$1.6 million were required to more fairly state accounts payable as of June 30, 2010.

CRITERIA

In accordance with the matching principle expenditures should be recorded in the same period as the receipt and consumption of the goods or services.

CAUSE

Lack of proper review of disbursements paid after year end.

EFFECT

Material adjustments were required to properly state accounts at year end.

RECOMMENDATION

We recommend the City perform a thorough review process of disbursements made after year end to inspect invoice dates and the dates the goods or services were rendered to determine if year end accruals are necessary.

AGENCY RESPONSE

To ensure no reoccurrences of this finding, the Financial Services staff will monitor each transaction that occurs after July 1 relating to goods or services and charge each item to the correct fiscal year.

**CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2010**

SECTION II - FINANCIAL STATEMENT FINDINGS (Cont'd)

2010-02 BUDGETS

STATEMENT OF CONDITION

The City had excess actual expenditures over revenues which resulted in deficit fund balances, as described in Note 9, in the Keep Rio Rancho Beautiful Grant fund of \$11, Community Response Program Fund of \$938, Gross Receipts Tax Revenue Bonds Fund of \$2,307, and the Infrastructure Fund in the amount of \$552,419. It was noted that all funds reported above did not exceed budgeted expenditures.

CRITERIA

Over expenditures at the legal level of compliance per Office of the State Auditor interpretation of SAO Rule 2.2.2.10P(1).

CAUSE

Timing differences related to reimbursable grants.

EFFECT

Overspending of funds which resulted in a deficit fund balances, as described in Note 9, in the Keep Rio Rancho Beautiful Grant fund of \$11, Community Response Program Fund of \$938, Gross Receipts Tax Revenue Bonds fund of \$2,307, and the Infrastructure Fund in the amount of \$552,419.

RECOMMENDATION

The City should prepare budget adjustment requests for transfers in from the General Fund to cover timing differences related to grant reimbursements or activity in the normal course of operations.

AGENCY RESPONSE

To ensure no reoccurrences of this finding, the Financial Services staff will prepare proper budget adjustments to cover timing differences related fund deficiencies.

**CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2010**

SECTION II - FINANCIAL STATEMENT FINDINGS (Cont'd)

2010-03 DUE DATE OF AUDIT REPORT (Non-compliance)

STATEMENT OF CONDITION

The June 30, 2010 audit report was not considered received by the Office of the State Auditor (OSA) by the deadline of December 1, 2010. While the report was submitted by the City to the OSA on November 30, 2010, it was not considered received by the Office of the State Auditor. This was due to a disagreement between the Independent Public Accountant and the OSA regarding interpretation of the NM State Audit Rule. Because of this, it was not considered by the OSA as being filed timely as required by the State Auditor Rule NMAC 2.2.2.9.A.

CRITERIA

According to State Auditor Rule NMAC 2.2.2.9.A, the audited financial statements are due by December 1 following the fiscal year-end, thus requiring the June 30, 2010 report to be filed, and considered received by the OSA, by December 1, 2010.

CAUSE

The report was submitted by the City to the OSA on November 30, 2010, but it was not considered received by the Office of the State Auditor. This was due to a disagreement between the Independent Public Accountant and the OSA regarding interpretation of the NM State Audit Rule.

EFFECT

The City is not in compliance with State Auditor Rule NMAC 2.2.2.9.A for the fiscal year ended June 30, 2010.

RECOMMENDATION

We recommend the City submit their audit report to the OSA at least 20 days earlier than the deadline to ensure comments from the OSA are resolved and resubmitted before deadline.

AGENCY RESPONSE

To ensure no reoccurrences of this finding, the City will make every effort to submit the audit report to the OSA, through the City's Independent Auditor, 20 days prior to deadline.

**CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2010**

SECTION II - FINANCIAL STATEMENT FINDINGS (Cont'd)

**2009-01 SUPERVISOR APPROVAL ON TIMESHEETS – Repeated and Modified
(deficiency)**

STATEMENT OF CONDITION

During internal control testwork over payroll, we identified 6 out of 40 timesheets tested that were signed by the employee and approved by the supervisor prior to the end of the pay period. In each of these instances, the employee worked days after the timesheet had already been signed and approved.

CRITERIA

According to the City's internal policy, effective for fiscal year 2010, section 504 of the Employee Policy 5.PP Compensation Plan states that "The time records are to be given to the employee's supervisor at the beginning of the first workday following the end of the pay period."

CAUSE

Lack adherence to the City's policies and proper management oversight.

EFFECT

Non-compliance with City's policies

RECOMMENDATION

We are aware the City has modified their payroll process effective July 1, 2010 (fiscal year 2011). We recommend the City enforce their internal policies to ensure compliance by sending electronic memorandums to department heads to remind employees of the City's policies.

AGENCY RESPONSE

The City is in the process of updating Payroll policies and procedures to ensure proper internal controls and adequate oversight of all levels of approval. Once the policies are updated, City-wide training will be provided.

**CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2010**

SECTION II - FINANCIAL STATEMENT FINDINGS (Cont'd)

2009-02 PER DIEM REIMBURSEMENTS – Repeated and Modified (*deficiency*)

STATEMENT OF CONDITION

During per diem testwork, we noted out of 35 employee reimbursements tested, one did not undergo a thorough review process before payment was rendered to the employee.

CRITERIA

Before reimbursements are disbursed to employees, the supporting documentation should be reviewed in accordance with the City's Travel and Mileage Advances and Reimbursements Chapter 2 Article 14. Additionally, math on the reimbursement request should be recalculated for accuracy.

CAUSE

Lack of adequate review of the employee's reimbursement request.

EFFECT

The employee was inappropriately reimbursed for 1 additional mile while using a personal vehicle for business travel.

RECOMMENDATION

We recommend the City ensure there is a thorough review process of all expense reimbursement requests and that all employees are trained properly on the City's Travel policy. This can be accomplished by sending electronic memorandums to department heads to both educate and remind employees of the City's policies.

AGENCY RESPONSE

The City will ensure that all employees submitting travel and/or mileage reimbursement are properly trained on the City's Travel policy and that the employee approving such requests verifies the accuracy before approval is granted.

**CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2010**

SECTION II - FINANCIAL STATEMENT FINDINGS (Cont'd)

**2009-05 RECONCILIATION OF FEDERAL REVENUES AND EXPENDITURES –
Repeated and Modified (*significant deficiency – Government Auditing Standards
& OMB finding*)**

ALL FEDERAL PROGRAMS

STATEMENT OF CONDITION

During federal revenue and expenditure testwork, we noted a lack of an adequate reconciliation process between federal revenue received and federal expenditures incurred during the year. Specifically, the following issues were encountered:

- Federal revenue received during the year in the amount of \$350,000 was not included on the original schedule provided by the City. This receipt was identified during the audit process.
- Restatements of prior year financial statements were necessary for five funds in order to fairly present the current year balances. The net amount of the restatements was \$118,812.
- Federal revenue was adjusted by the net amount of \$ 343,900 to match to current year federal expenditures.

CRITERIA

In accordance with Generally Accepted Accounting Principles the matching principle should be applied to properly match revenues and expenses during the fiscal year. Also, Section 2.2.2.8 J of the New Mexico State Audit Rules requires good accounting practices be followed, which includes maintaining adequate financial records to support the financial statements.

CAUSE

Lack of review process over the federal revenue schedule and lack of adequate internal communication with those who compile the supporting documentation for federal revenues and expenditures and the finance department.

EFFECT

Federal revenues and expenditures could be misstated during the year. In addition, the City could misstate their federal reimbursements and potentially misstate federal reports compiled during the year.

RECOMMENDATION

We recommend the City implement a process where the Federal revenue schedule is reconciled to the general ledger on a monthly basis to ensure revenues and expenditures are being matched in the proper period. In addition, we encourage stronger communication between the City's grants and finance divisions.

**CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2010**

SECTION II - FINANCIAL STATEMENT FINDINGS (Cont'd)

**2009-05 RECONCILIATION OF FEDERAL REVENUES AND EXPENDITURES –
Repeated and Modified (Concl'd) (*significant deficiency – Government Auditing
Standards & OMB finding*)**

AGENCY RESPONSE

The Financial Services Department is in its final stages of implementing policies and procedures to ensure revenues and expenditures match to the general ledger and are developing stronger communication between departments to make sure proper reimbursement request for federal funds are accrued at the end of the year.

**CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2010**

SECTION II - FINANCIAL STATEMENT FINDINGS (Concl'd)

2008-03 DEVELOPER CONTRIBUTIONS – Repeated and Modified (*significant deficiency*)

STATEMENT OF CONDITION

During testwork over capital assets, various instances were noted where incomplete records were retained to support the value assigned contributed by developers.

CRITERIA

Internal controls for capital assets should require developer contributions recorded in the City's system to be properly valued and supported.

CAUSE

The City does not have a clear and comprehensive set of procedures in place that would aid in the identification and accurate recognition and valuation of developer capital contributions.

EFFECT

The City's capital assets could be misstated; however, the amount of misstatement is undeterminable without review of actual invoices.

RECOMMEDATIONS

We recommend the City improve inter-departmental communication and implement specific written procedures for the recording of developer capital contribution.

AGENCY RESPONSE

The City amended the development processing manual in December 2009 to include policy and procedures for developer contribution. (Ref: V2, Chapter 7, Sec. 2.3 "Other Submittals.:") Collaboration between departments will ultimately end with Financial Services Department for the recording of the asset.

**CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2010**

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

**2009-05 RECONCILIATION OF FEDERAL REVENUES AND EXPENDITURES –
Repeated and Modified (*significant deficiency – Government Auditing Standards
& OMB finding*)**

ALL FEDERAL PROGRAMS

STATEMENT OF CONDITION

During federal revenue and expenditure testwork, we noted a lack of an adequate reconciliation process between federal revenue received and federal expenditures incurred during the year. Specifically, the following issues were encountered:

- Federal revenue received during the year in the amount of \$350,000 was not included on the original schedule provided by the City. This receipt was identified during the audit process.
- Restatements of prior year financial statements were necessary for five funds in order to fairly present the current year balances. The net amount of the restatements was \$118,812.
- Federal revenue was adjusted by the net amount of \$ 343,900 to match to current year federal expenditures.

CRITERIA

In accordance with Generally Accepted Accounting Principles the matching principle should be applied to properly match revenues and expenses during the fiscal year. Also, Section 2.2.2.8 J of the New Mexico State Audit Rules requires good accounting practices be followed, which includes maintaining adequate financial records to support the financial statements.

CAUSE

Lack of review process over the federal revenue schedule and lack of adequate internal communication with those who compile the supporting documentation for federal revenues and expenditures and the finance department.

EFFECT

Federal revenues and expenditures could be misstated during the year. In addition, the City could misstate their federal reimbursements and potentially misstate federal reports compiled during the year.

RECOMMENDATION

We recommend the City implement a process where the Federal revenue schedule is reconciled to the general ledger on a monthly basis to ensure revenues and expenditures are being matched in the proper period. In addition, we encourage stronger communication between the City's grants and finance divisions.

**CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2010**

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Concl'd)

**2009-05 RECONCILIATION OF FEDERAL REVENUES AND EXPENDITURES –
Repeated and Modified (Concl'd)
*(significant deficiency – Government Auditing Standards & OMB finding)***

AGENCY RESPONSE

The Financial Services Department is in its final stages of implementing policies and procedures to ensure revenues and expenditures are being matched to the general ledger and is developing stronger communication between departments to make sure proper reimbursement request for federal funds are accrued at the end of the year.

CITY OF RIO RANCHO, NEW MEXICO
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2010

STATUS OF FINANCIAL STATEMENT FINDINGS

Finding No. 2009-01 SUPERVISOR APPROVAL ON TIMESHEETS
Status: Repeated and Modified

Finding No. 2009-02 PER DIEM REIMBURSEMENTS
Status: Repeated and Modified

Finding No. 2009-03 CUSTOMER UTILITY DEPOSITS
Status: Resolved

Finding No. 2009-04 LACK OF RECONCILED UTILITY ACCOUNTS RECEIVABLE
Status: Resolved

Finding No. 2009-05 RECONCILIATION OF FEDERAL REVENUES AND
EXPENDITURES
Status: Repeated and Modified

Finding No. 2008-03 DEVELOPER CONTRIBUTIONS
Status: Repeated and Modified

CITY OF RIO RANCHO, NEW MEXICO
EXIT CONFERENCE
JUNE 30, 2010

An exit conference was held at a closed meeting on November 22, 2010, to discuss the preceding findings. Attending were the following persons.

For the City of Rio Rancho:

Michael J. Williams, Councilor, District 1
Kathleen Colley, Councilor, District 6
James C. Jimenez, City Manager
Olivia Padilla-Jackson, Finance Director
Marta J. Ortiz, Accounting Division Manager

For the Independent Auditor:

Georgie Ortiz, CPA, CGFM, Assurance Principal
Raul Anaya, CPA, CGFM, Assurance Manager
Laura Beltran-Schmitz, CPA, CFE, Assurance Supervising Senior